

BROCHURE OF
ALTERNATIVE CAPITAL ADVISERS, LLC

A Delaware Limited Liability Company registered with the Securities and Exchange
Commission as an Investment Adviser (CRD #168745)

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THIS BROCHURE (“BROCHURE”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF ALTERNATIVE CAPITAL ADVISERS, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 646-412-7111 OR MNOVICK@ALTCAPADVISERS.COM.

THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT ALTERNATIVE CAPITAL ADVISERS, LLC ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

The date of this Brochure is

October 14, 2016

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other documents containing information about Firm.

Item 2.

Material Changes

There are material changes to report regarding our advisory business since our last filing dated February 29, 2016, as follows:

- As of October 1, 2016, the Firm is principally owned and managed by Chris J. LaGrego (25.0%). In addition, the Firm is principally owned by Andrew J. Formato (30.0%).

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I. Part 2A – FIRM

BROCHURE Item 4.

Advisory Business:

- (A) **Operational and Organizational Information:** Alternative Capital Advisers, LLC (the “Firm”), is a Delaware limited liability company that is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”). The Firm is an asset management firm focused on a defined set of global investment strategies. In particular, the Firm allocates assets of its clients to a variety of managers selected by the Firm. The Firm was organized in August 2013. As of October 1, 2016, the Firm is principally owned and managed by Chris J. LaGrego (25.0%). Mr. LaGrego (CRD# 1995755) is also a registered representative of Weeden Prime Services (CRD #146103) and is a shareholder of Weeden & Co. (CRD #16835). In addition, the Firm is principally owned by Andrew J. Formato (30.0%). Mr. Formato (CRD #2272875) is also a registered principal of Weeden & Co. (CRD #16835) as well as Weeden Prime Services (CRD #146103).
- (B) **Types of Advisory Services Offered:** The Firm provides investments management services to, and has discretionary investment authority over the assets of ACA Master Select Fund, LP, a commingled private investment fund (the “Fund”). The Firm also delivers product and alternative solutions to other investment advisers as well as single and multifamily offices. The Firm provides investment advisory services focused on both the equity and debt markets generally through the allocation of client assets to a variety of third party managers (“Underlying Managers”). Each Underlying Manager actively manages the assets allocated to it by the Firm, in accordance with relevant offering documents. Additionally, ACA has non-discretionary Investment Advisory Service Agreements with Strategic Capital Alternatives, LLC (“SCA”) and Summit Advisor Solutions, LLC (“SAS”). Under these agreements, ACA provides ongoing advice regarding their evaluation and selection of alternative investments for such SCA and SAS’ model accounts. This advice includes consulting on potential ETF and mutual fund allocations that may replicate hedging or other alternative investment strategies for both firms.
- (C) **Client Investment Guidelines and Parameters:** Clients may consider opening a separately managed account with the Firm in which instance our investment advisory services may be tailored to the individual needs of each such client. In particular, the Firm would consider a client’s size, investment mandate, interest in leverage, tax implications and investment history. As of the date of this brochure, the Firm does not advise any separately managed accounts.

(D) **Wrap Fee Programs:** The Firm does not participate in wrap fee programs.

(E) **Client Assets Under Management:** (*rounded to the nearest \$100,000*)

Discretionary: \$ 59,178,580 as of October 1, 2016.

Non-discretionary: \$150,000,000 as of October 1, 2016.

Item 5. Fees and Compensation:

(A) Management fees are negotiable and collected quarterly in advance. In addition, the Underlying Managers will charge additional management fees and performance fees. Such fees will be discussed with each client and/or fully disclosed in the relevant offering documents. The exact amount of fees collected by the Firm from the Underlying Managers will vary based on the arrangements negotiated with the Underlying Managers, however these fees will generally be between twenty-five (25%) and fifty percent (50%) of the management fee, and zero (0) and fifty percent (50%) performance fee, charged by the Underlying Managers. Investors are advised that this presents a potential conflict of interest in that ACA may be incentivized to select Underlying Managers that are willing to pay a larger portion of their fees to ACA. In addition, ACA may negotiate lower investment minimums than those typically charged by Underlying Managers, which may also present a conflict of interest such that ACA may be incentivized to select and allocate to Underlying Managers that provide ACA with lower investment minimums. All ACA investors will pay a maximum total management fee of 2% and a total performance fee of 20%, unless otherwise specified in the relevant offering documents or pursuant to a side letter negotiated and entered into with a particular investor. Investors in ACA may pay higher fees than they would if they accessed an underlying fund manager directly.

(B) **Payment of Fees:** Management fees are deducted from assets on a quarterly basis.

(C) **Additional Fees and Expenses:** Clients will be responsible for any financing or brokerage-related expenses (such as custodial, brokerage, margin interest, negative rebates, exchange fees, market access or technology fees); administrative and operational expenses (such as fund administration, tax, audit, legal, insurance, cash management, regulatory, compliance, due diligence, monitoring, reporting, communications, risk management, software); organizational expenses (including expenses related to

the drafting of the offering documents and any directly or indirectly related structuring costs); and similar expenses as directed by the Underlying Managers. Expenses paid to the Firm will be disclosed full to the client in advance. Additionally, ACA may withhold 2-3% of an investor's investment in cash to pay fund expenses, including but not limited to fees payable to the Firm.

(D) **Fees Paid in Advance:** The Firm's management fee may be prepaid on the first day of each calendar quarter.

(E) **Additional Compensation of Supervised Persons:**

Messrs. LaGrego and Formato may receive, directly or indirectly, commissions or other compensation in connection with the Firm's transactions. Specifically, certain Underlying Managers may, but are not required, to utilize brokerage services provided by Weeden Prime Services, LLC or Weeden & Co. Investors are advised that this may present a conflict of interest whereby ACA may be incentivized to select Underlying Managers using the services of Weeden Prime Services, LLC or Weeden & Co. However, the Firm believes that any brokerage commissions paid to any related broker-dealers, including Weeden Prime Services, LLC or Weeden & Co., will be consistent with "best execution" practices.

- (i) The Firm endeavors to disclose herein all conflicts of interest which could impair the rendering of unbiased and objective advice. Lower fees for comparable services may be available from other sources.
- (ii) Clients have the option to purchase investment products which the Firm recommends through other brokers or agents that are not affiliated with the Firm and/or not used by the Firm. N/A
- (iii) If commissions provide more than 50% of Firm's revenue or compensation, disclose: N/A
- (iv) The Firm does not reduce advisory fees to offset the commissions and/or markups received directly or indirectly by associated persons as referenced above.
- (v) As noted above, certain representatives of the Firm may be registered with a broker-dealer or affiliated with an insurance company. As such, these representatives may receive additional compensation.

Item 6. Performance Based Fees and Side-by-Side Management:

The Firm and the Underlying Managers will charge a fee based on the percentage of the profits as disclosed in the relevant offering documents. For example, such fee will (unless otherwise modified pursuant to a side letter) be equal to twenty-percent (20%) of the overall net profits (the “Performance Allocation”) of the Fund. The Performance Allocations are generally payable at the end of each year or at the time of withdrawal. The right to receive performance-based compensation may create an incentive for the Firm or the Underlying Managers to cause a client to make investments that are riskier or more speculative than would be the case if the Firm or the Underlying Managers did not receive such compensation.

To the extent the Firm does not charge performance-based compensation to one or more clients, such clients should be aware that the Firm has an incentive to favor other client accounts that are charged performance-based compensation (whether directly or through the Underlying Managers) if the Firm would receive compensation based on the returns of such performance compensation paying clients.

Item 7. Types of Clients:

Investors in the Funds advised by the Firm are required to meet certain suitability thresholds including being an “accredited investor” under Section 3(c)(1) or a “qualified purchaser” under Section 3(c)(7), respectively, of the Investment Company Act of 1940 (as applicable). Moreover, all clients are required to meet general sophistication requirements. Minimum investments are set forth in the relevant offering documents.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss:

The following considerations apply to the Fund, the Underlying Managers, as well as to any other clients of the Firm (as applicable and as the context may require).

(A) Methods of Analysis and Investment Strategies:

The Firm primarily allocates capital of its clients to Underlying Managers who in turn invest in a variety of securities across a range of strategies. An allocation to an Underlying Manager is made in conjunction with an investment with the Underlying Manager’s fund. The trading strategies vary and may consist of both equity and debt investments, whether long or short, and may incorporate derivatives, futures, currencies, commodities and other specialized investment techniques.

The Firm employs a team of experienced professionals to conduct research on the Underlying Managers. This team is responsible for meeting with prospective Underlying Managers to ascertain whether or not they would be appropriate for an allocation. Initial meetings focus on the prospective Underlying Manager's history and track record, including the relevant employment experience of its portfolio managers. Later stage discussions include a more focused review of the prospective Underlying Manager's investment strategy and portfolio holdings. If the Firm and the prospective Underlying Managers decide to pursue a relationship, the Firm will conduct additional due diligence on such Underlying Managers, including conducting background investigations of its portfolio managers.

(B) Risk of Loss:

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Firm and the Underlying Managers are extremely competitive and each involves a degree of risk. The Firm, the Underlying Managers and the funds managed by the Underlying Managers (the "Underlying Funds") will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility; Availability of Investment Opportunities.

The profitability of the Firm substantially depends upon the Underlying Managers correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and assets and the movements of interest rates. The Firm cannot guarantee that the Underlying Managers will be successful in accurately predicting price and interest rate movements. In addition, there can be no guarantee that a sufficient number of profitable investment opportunities will be available to the Underlying Managers.

The Firm's Investment Activities. The Firm's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Investment Manager or the Underlying Managers. Such factors include a wide range of economic, political, technological, competitive and other conditions (including acts of terrorism or war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Firm to realize profits. As a result of the nature of the investing activities of the Firm, it is possible that the Firm's financial performance may fluctuate substantially over time and from period to period.

Portfolio Turnover. The Underlying Managers portfolios will be actively managed and traded to reflect market conditions and/or changes in risk tolerance, as well as to take advantage of short-term trading opportunities. Accordingly, the Firm's portfolio may be expected to turn over frequently during the course of a year. In such circumstances, the Firm may have a higher portfolio turnover rate and pay greater commissions than investment funds with a lower portfolio turnover rate.

Increases in Assets Under Management May Have an Adverse Effect on Trading. By accepting additional subscriptions (whether from the Firm's investors or otherwise), each Underlying Fund may exceed the Underlying Manager's capacity – i.e., the maximum amount at which it can effectively trade and manage risk. For example, the Underlying Managers may encounter difficulty in establishing or liquidating larger positions at desired prices.

Accuracy of Public Information. The Underlying Managers select investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Underlying Managers by the issuers or through sources other than the issuers. Although the Underlying Managers evaluate all such information and data and sometimes seek independent corroboration when each considers it is appropriate and reasonably available, the Underlying Managers are not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

Disruptions or Inability to Trade Due to a Failure to Receive Timely and Accurate Market Data from the Underlying Managers and Third-Party Vendors. The Underlying Managers' strategies depend to a significant degree on the receipt of timely and accurate market data from third-party vendors. Any failure to receive such data in a timely manner or the receipt of inaccurate data for any reason could disrupt and adversely affect the Firm's trading until such failure or inaccuracy is corrected.

Technology Risk. The Underlying Managers' investment strategies rely heavily on the use of proprietary and non-proprietary software, data and intellectual property. Such reliance on this technology and data is subject to a number of important risks. First, the Firm may be severely and adversely affected by the malfunction of the technology and/or data feed. For example, an unforeseeable software or hardware malfunction could occur, as a result of a virus or other outside force, or as result of a design flaw

in the system or in its continued implementation. In the past, occurrences of this nature to other funds have sometimes resulted in dramatically negative consequences for the portfolio of the related fund. In addition, changes in the market for publicly available data or in regulatory reporting requirements could cause a severe diminution in the data available for the technology to operate as designed. Such events can also have dramatically negative consequences for the Firm. Furthermore, if any of the software, hardware, data and/or other intellectual property is found to infringe on the rights of any third party, the Firm could be severely and adversely affected.

Trade Errors. The Underlying Managers' computerized trading systems rely on the ability of their personnel to accurately process such systems' outputs and to use the proper trading orders, including stop-loss or limit orders, to execute the transactions called for by the systems.

Investments in Securities and Other Assets Believed to Be Undervalued. The Underlying Funds may invest in undervalued securities. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation and/or current yield, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from an Underlying Fund's investments may not adequately compensate for the business and financial risks assumed. Such investments can sometimes include bonds and other fixed income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities.

Small Companies. The Underlying Funds may invest in small and/or unseasoned companies with small market capitalization. Such companies generally have potential for rapid growth, but they often involve higher risks because they may lack the management experience, financial resources, product diversification and/or competitive strength of larger and/or more established companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies.

ETFs. The Underlying Funds may invest in exchange-traded funds ("**ETFs**"). ETFs represent an interest in a passively managed portfolio of securities selected to replicate a securities index. Because ETF shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks

related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed- end fund shares also entails payment of brokerage commissions and other transaction costs.

ETF Correlation Risk. A number of factors may affect an ETF's ability to achieve a high degree of correlation with its benchmark, and there can be no guarantee that an ETF will achieve a high degree of correlation. A failure to achieve a high degree of correlation may prevent the Firm' from achieving its investment objective. A number of factors may adversely affect the Firm's correlation with its benchmark, including fees, expenses, transaction costs, costs associated with the use of leveraged investment techniques, income items, accounting standards and disruptions or illiquidity in the markets for the securities or financial instruments in which an ETF invests. An ETF may not have investment exposure to all securities in its underlying benchmark index, or its weighting of investment exposure to such stocks or industries may be different from that of the benchmark index. In addition, an ETF may invest in securities or financial instruments not included in the index underlying its benchmark. An ETF may be subject to large movements of assets into and out of the ETF, potentially resulting in the ETF being overexposed or underexposed to its benchmark. Activities surrounding annual index reconstitutions and other index rebalancing or reconstitution events may hinder an ETF's ability to meet its daily investment objective on that day. Each ETF seeks to rebalance its portfolio daily to keep leverage consistent with its daily investment objective. ETFs are "leveraged" funds in the sense that they have investment objectives to match the inverse, a multiple, or a multiple of the inverse of the performance of an index on a given day. These ETFs are subject to all of the correlation risks described above. In addition, there is a special form of correlation risk that derives from these ETFs' use of leverage, which is that for periods greater than one day, the use of leverage tends to cause the performance of an ETF to be either greater than or less than the index performance (or the inverse of the index performance) times the stated multiple in the Firm's objective, before accounting for fees and applicable expenses.

ETF Liquidity Risk. In certain circumstances, such as the disruption of the orderly markets for the securities or financial instruments in which an ETF invests, an ETF might not be able to dispose of certain holdings quickly or at prices that represent true

market value in the judgment of the ETF portfolio manager(s). Such a situation may prevent an ETF from limiting losses, realizing gains or achieving a high correlation or inverse correlation with its underlying index.

Foreign Exchange/Foreign Currency. The Underlying Managers may trade in foreign exchange and foreign exchange options, as well as spot, forwards and non-deliverable forwards in currencies of G10 and emerging market economies. Currency trading differs from most of the trading in the U.S. of stocks, futures or options, in that it does not typically occur on regulated exchanges, and clearing houses do not guarantee the execution of trades. Instead, most participants in currency markets trade with each other based upon various credit arrangements.

Cash Flow. The Underlying Managers may trade options on foreign exchange. Foreign exchange gains and losses are marked-to-market daily for purposes of determining margin requirements. Option positions generally are marked-to-market daily, and short option positions will require additional margin if the market moves against the position. There may be periods in which positions on both sides must be closed down prematurely due to short-term cash flow needs. Were this to occur during an adverse move in a spread or straddle relationship, a substantial loss could occur.

Volatility of Currency Prices. The profitability of a portfolio of an Underlying Fund sometimes depends, in part, upon the future price movements of currencies. However, price movements of currencies are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly.

Exchange Rate Fluctuations. Investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. The Firm will generally value its holdings and to make distributions, if any, in U.S. Dollars. Thus, changes in currency exchange rates adverse to the U.S. Dollar may affect adversely the value of such holdings.

Foreign Exchange Markets May Be Illiquid At Certain Times. Several nations or groups of nations have in the past imposed trading limits or restrictions on the amount by which the price of certain foreign exchanges may vary during a given time period and the volume which may be traded; they have also imposed restrictions or penalties for carrying positions in certain foreign

currencies over time. Such limits may prevent trades from being executed during a given trading period. Such restrictions or limits could prevent the Underlying Managers from promptly liquidating unfavorable positions and, therefore could subject the Firm to substantial losses. The Underlying Managers may trade on certain non-U.S. markets, which may be substantially more prone to periods of illiquidity than the United States markets due to a variety of factors.

Foreign Transactions Risks Generally. Trading on interbank markets outside the United States is not regulated by any United States governmental agency, and may involve certain risks not applicable to trading on United States exchanges. Trading on foreign markets involves the additional risks of expropriation, burdensome or confiscatory taxation, moratoriums, investment controls or political or diplomatic events, which might adversely affect the Firm's trading activities. Trading on foreign markets is also subject to the risk of changes in the exchange rate between U.S. Dollars and the currencies in which such contracts are settled, which can have an effect on profits or losses even after a position has been closed out.

Leverage Used by the Firm. The Firm may, in its sole discretion, employ leverage in order to achieve its investment objectives. Such leverage may take the form of loans for borrowed money, derivative transactions and trading in instruments that may be inherently leveraged. The Firm may enter into a credit arrangement with a lender, and, in connection with such borrowings, may be required to pledge as collateral all or a portion of the assets of the Firm.

Leverage Used by the Underlying Funds. When appropriate and subject to applicable regulations, an Underlying Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, or total return swaps, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent an Underlying Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the Firm.

Certain of the Underlying Funds' trading and investment activities in securities and other financial instruments may be subject to

Federal Reserve Board (“**FRB**”) margin requirements, which are computed each day. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a “margin call” on the customer is made. With respect to these trading activities, the Underlying Funds and not their investors personally, will be subject to margin calls.

Short Sales. The Underlying Managers may sell securities short. Short selling involves the sale of a security that the seller does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the seller must borrow securities from a third-party lender. The Underlying Funds, and therefore the Firm, may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found.

Risks of Trading Futures. Trading futures is a highly risky strategy. Whenever an Underlying Fund purchases a particular future, there is a possibility that the Underlying Fund may sustain a total loss of its purchase price. The prices of futures are, in general, much more volatile than prices of securities such as stocks and bonds. As a result, the risk of loss in trading futures is substantially greater than in trading those securities.

Options and Other Derivative Instruments. The Underlying Funds may invest in derivative instruments. The prices of many derivative instruments, including many options and swaps, are highly volatile. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the securities, currencies or other assets underlying them. The Underlying Funds are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a

premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument or asset at the exercise price.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Changes in Derivatives Regulations. The regulatory environment for derivatives is evolving, and changes in such regulation could restrict, make more costly, or otherwise adversely affect the Firm's ability to pursue its investment strategy.

Event-Driven Investments. The Underlying Managers may invest in companies based upon certain situations or events, including (but not limited to) spin-offs, mergers and acquisitions, rights offerings, restructurings and bankruptcies. Such special situations and events may carry a high probability of indiscriminate selling or neglect of valuable assets for reasons other than a lack of investment merits. Occasionally, an Underlying Fund may engage in arbitrage transactions that the relevant Underlying Manager believes represent an exceptional risk/reward opportunity. Risk arbitrage opportunities generally arise during corporate mergers, leveraged buyouts or takeovers. Frequently the stock of the company being acquired will trade at a significant discount to the announced deal price. This discount compensates investors for the time value of money and the risk that the transaction may be canceled. If the discount is significantly greater than the initial assessment of the underlying risk, the strategy will be implemented.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, and other derivatives are commonly utilized by investment funds to hedge against fluctuations in the relative values of their portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions 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 positions should

increase. Moreover, it may not be possible for an Underlying Fund to hedge against a fluctuation at a price sufficient to protect the Underlying Fund's assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile instruments or assets may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices.

The Underlying Managers are not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedging transactions are effected, their success is dependent on the ability of the Underlying Managers to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

Counterparty and Settlement Risk. To the extent an Underlying Fund invests in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Underlying Fund may take a credit risk with regard to parties with which it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Custody Risk. It is anticipated that a portion of the Underlying Funds' assets may be invested in currency forward contracts, futures, options, swaps or similar financial instruments which are not capable of being "custodied" in the traditional sense. Accordingly, at any given time, an Underlying Fund's accounts may only contain a small amount of cash and/or direct investments, with the majority of such Underlying Fund's assets posted as collateral or otherwise held at the various banks, brokerage firms and other financial institutions with which it has effected investment transactions. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Underlying Fund, and hence the Underlying Fund should not be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation and there may be practical or timing problems associated with enforcing the Underlying Fund's rights to its assets in the case of an insolvency of any such party, particularly as regards to parties located in non-U.S. jurisdictions.

Market or Interest Rate Risk. The Underlying Managers may, from time to time, invest in fixed income securities and instruments. The price of many fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If an Underlying Fund holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Underlying Fund's performance. However, if the Underlying Fund has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Underlying Fund, and therefore the Firm.

Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" (i.e., redeem) all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Underlying Fund is exposed to reinvestment rate risk – the Underlying Fund will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Maturity Risk. In certain situations, an Underlying Fund may purchase a bond of a given maturity as an alternative to another bond of a different maturity. Ordinarily, under these circumstances, such Underlying Fund will make an adjustment to account for the interest rate risk differential in the two bonds. This adjustment, however, makes an assumption about how the interest rates at different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if an Underlying Fund purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Underlying Fund is exposed to inflation risk because the interest rate the issuer

promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

High Yield Securities. The Underlying Funds may invest in "high yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to a greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions of lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Systemic Risk. Credit risk may 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 "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Firm and/or an Underlying Fund interacts on a daily basis. Systemic risk could result in increased volatility of financial markets and a greater risk of counterparty default. To the extent that systemic risk occurs, it could result in large losses to Underlying Funds and the Firm.

Special Situations. The Underlying Funds may invest in companies that are involved in (or are the target of) acquisition attempts or tender offers, or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Underlying Fund of the security or other financial instrument in respect of which such distribution is

received. Similarly, if an anticipated transaction does not in fact occur, the Underlying Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Underlying Fund may invest, there is a potential risk of loss to the Underlying Fund (and therefore to the Firm) of its entire investment in such companies.

Investments in Non-U.S. Investments. The Underlying Funds may invest and trade a portion of the relevant Underlying Funds' assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non-U.S. issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by non-U.S. governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against non-U.S. governments.
- Non-U.S. securities and other assets often trade in currencies other than the U.S. Dollar, and the Underlying Funds may directly hold non-U.S. currencies and purchase and sell non-U.S. currencies through forward exchange contracts. Changes in currency exchange rates will affect an Underlying Fund's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. Dollar relative to these other currencies may cause the value of an Underlying Fund's investments to decline. Some non-U.S. currencies are particularly volatile. Non-U.S. governments may intervene in the currency markets, causing a decline in value or liquidity of an Underlying Fund's non-U.S. currency holdings. If an Underlying Fund enters into forward non-U.S. currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if an Underlying Fund enters forward contracts for increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and

financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Developing and Emerging Markets. Investing in developing and emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, among others: (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty (including war); (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. Dollars; (viii) increased likelihood of governmental involvement in and control over the economies; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards, which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of the Underlying Funds' securities and cash with non-U.S. brokers and securities depositories.

Illiquid Investments by Underlying Funds. All or a portion of the investments made by an Underlying Fund may be in illiquid securities which are difficult to value and, therefore, could affect the ability of such Underlying Fund to meet withdrawal requests from the Firm.

Risk of Default or Bankruptcy of Third Parties. The Underlying Funds may engage in transactions in securities, commodities, financial instruments and other assets that involve counterparties. Under certain conditions, the Underlying Fund could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, instruments and/or assets were to become illiquid. In addition, the Underlying Fund could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Underlying Fund does business, or to which securities, instruments and/or assets have been entrusted for custodial purposes.

- (C) **Security-Specific Risks**: Please see the response to Item 8 (B), above.

Item 9. Disciplinary Information:

Legal and disciplinary events in which the Firm or any supervised persons have been involved that are material to a client's or prospective client's evaluation of the Firm's advisory business or management are listed below (see response after each event).

- (A) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which The Firm or a management person:
- (i) Was convicted of, or pled guilty or nolo contendere ("no contest") to: (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses. **N/A**
 - (ii) Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses. **N/A**
 - (iii) Was found to have been involved in a violation of an investment-related statute or regulation. **N/A**
 - (iv) Was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order. **N/A**
- (B) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the Firm or a management person:
- (i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**
 - (ii) Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:

- a. Denying, suspending, or revoking the authorization of the Firm or a management person to act in an investment-related business. **N/A**
 - b. Barring or suspending Firm's or a management person's association with an investment-related business. **N/A**
 - c. Otherwise significantly limiting Firm's or a management person's investment-related activities. **N/A**
 - d. Imposing a civil money penalty of more than \$2,500 on the Firm or a management person. **N/A**
- (C) A self-regulatory organization (SRO) proceeding in which the Firm or a management person:
- (i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**
 - (ii) Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. **N/A**

Item 10. Other Financial Industry Activities and Affiliations:

- (A) The Firm has no existing or pending affiliations with a broker-dealer or a registered representative of a broker-dealer.

Christopher LaGrego, managing member of the Firm, is a registered representative at Weeden Prime Services, LLC, a registered broker-dealer and investment advisor with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"), National Futures Association ("NFA") and Securities Investor Protection Corporation ("SIPC").

Edward Kuhnel, Chief Administration Officer of the Firm, is currently registered with, and employed by, Young America Capital, LLC, a registered broker-dealer with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA") and Securities Investor Protection Corporation ("SIPC").

John McNiff, an owner of ACA holding 14.35% of the Membership Interests of ACA as of the date hereof, is also a

shareholder of Discovery Capital Management, LLC (“DCM”), an Underlying Manager held by the ACA Funds. Investors are advised that a conflict of interest exists whereby Mr. McNiff’s ownership of ACA may present a conflict of interest such that ACA may be more incentivized to allocate assets to DCM versus other Underlying Managers.

The Fund offering is not affiliated with Weeden Prime Services, LLC or Weeden & Co., L.P. (collectively hereinafter “Weeden”).

The Fund offering is not affiliated with Young America Capital, LLC.

- (B)** The Firm has no existing or pending affiliations with a futures commission merchant (“FCM”), commodity pool operator (“CPO”), or commodity trading advisor (“CTA”).
- (C)** The Firm and/or its management persons have a relationship or arrangement that is material to its advisory business or to its clients with any related person as discussed below:

 - (i)** Broker-dealer, municipal securities dealer, or government securities dealer or broker.
 - (ii)** Investment Company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund). Except as discussed at Item 4.(B).
 - (iii)** Other investment adviser or financial planner: **N/A**
 - (iv)** Futures commission merchant, commodity pool operator, or commodity trading advisor. **N/A**
 - (v)** Banking or thrift institution. **N/A**
 - (vi)** Accountant or accounting firm. **N/A**
 - (vii)** Lawyer or law firm. **N/A**
 - (viii)** Insurance company or agency. **N/A**
 - (ix)** Pension consultant. **N/A**
 - (x)** Real estate broker or dealer. **N/A**
 - (xi)** Sponsor or syndicate of limited partnerships. **N/A**

- (D) The Firm recommends or selects other investment advisers for clients: N/A

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

A copy of the code of ethics (“Code of Ethics”) is available upon request to clients or prospective clients.

- (A) The Code of Ethics is based upon the premise that all the Firm personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory services. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of Firm; (3) observe Firm’s personal trading policies so as to avoid “front-running” and other conflicts of interests between the Firm and its clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by Firm’s Chief Compliance Officer, and that personnel who violate the Code of Ethics are subject to sanctions by Firm, up to and including termination.

Participation or Interest in Client Transactions: The Firm recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and the Firm requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, the Firm believes that if investment goals are similar for clients and for employees of Firm, it is logical and even desirable that there be common ownership of some securities. The Firm and its related persons may invest their personal funds with the funds operated by the Underlying Managers. Therefore, in order to address conflicts of interest, the Firm has adopted a set of procedures, included in its Code of Ethics, with respect to investments made in funds operated by the Underlying Managers that are effected by its officers, directors and employees (hereafter in this Item 11, “Employees”) for their personal accounts.

Additionally, the Code of Ethics sets forth Firm’s policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that the Firm and each of its Employees has to each of its clients. The Code of Ethics is circulated at least annually to all Employees, and each Employee, at least annually, must certify, in writing, that he or she has received and followed the Code of Ethics and any amendments thereto.

Other Activities of the Firm and its Affiliates: Neither Firm, nor any affiliate or Employee, is required to manage client accounts as its sole and exclusive function. Each of them may engage in other business activities, including competing ventures and/or other unrelated employment. In addition to managing client accounts, Firm, and its affiliates or Employees may provide investment advice to other parties and may manage other accounts in the future.

Trade Errors: The Firm has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, the Firm will use reasonable efforts to correct the error. The Firm will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected

Privacy Policy: The Firm has adopted a privacy policy that explains the manner in which the Firm collects, utilizes and maintains nonpublic personal information about clients, as required under federal legislation.

Collection of Information and Disclosure of Nonpublic Personal Information:

To provide clients with effective service, the Firm may collect several types of nonpublic personal information about clients, including:

- Information from forms that clients may fill out, such as subscription forms, questionnaires and other information provided by clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications;
- Information clients may give orally;
- Information about transactions within Firm, including account balances, investments and withdrawals;
- Information about the amount clients have invested, such as initial investment and any additions to and withdrawals from an investment in the funds; and
- Information about any bank accounts clients may use for transfers to or from separately managed accounts (if applicable).

Disclosure of Nonpublic Personal Information:

The Firm does not sell or rent client information. The Firm uses this information to conduct business with its clients: to develop or enhance its products and services; to understand the financial needs of its clients so that the Firm can provide such clients with quality products and superior service; and to protect and administer its clients' records, accounts and funds. The Firm does not disclose nonpublic personal information about its clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, the Firm may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Firm; this may include attorneys, accountants, auditors and other professionals. The Firm may also share information in connection with the servicing or processing of fund transactions;
- To affiliated companies in order to provide clients with ongoing personal advice and assistance with respect to the products and services clients have purchased through the Firm and to introduce clients to other products and services that may be of value to such clients;
- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of a client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the client.

Protection of Client Information:

Firm's policy is to require that all Employees, financial professionals and companies providing services on its behalf keep client information confidential.

The Firm maintains safeguards that comply with federal standards to protect client information. The Firm restricts access to the personal and account information of clients to those Employees who need to know that information in the course of their job responsibilities. Third parties with whom the Firm shares client information must agree to follow appropriate standards of security

and confidentiality.

Firm's privacy policy applies to both current and former clients. The Firm may disclose nonpublic personal information about a former client to the same extent as for a current client.

Changes to Privacy Policy:

The Firm may make changes to its privacy policy in the future. The Firm will not make any change affecting any client without first sending to that client a revised privacy policy describing the change.

Opt Out Provision:

Please be advised that clients have the right to "opt out" of the information sharing as set forth above.

- (B) If the Firm or a related person recommends to clients, or buys or sells for client accounts, securities in which the Firm or a related person has a material financial interest, describe Firm's practice and discuss the conflicts of interest it presents. *Please refer to Item 11.(A).*
- (C) If the Firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that the Firm or a related person recommends to clients, describe Firm's practice and discuss the conflicts of interest this presents and generally how the Firm addresses the conflicts that arise in connection with personal trading. *Please refer to Item 11.(A).*
- (D) If the Firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Firm or a related person buys or sells the same securities for Firm's own (or the related person's own) account, describe Firm's practice and discuss the conflicts of interest it presents. Describe generally how the Firm addresses conflicts that arise. *Please refer to Item 11.(A)*

Item 12. Brokerage Practices:

- (A) **Selection of Broker-Dealers:** The considerations described below apply to the clients of the Firm (as applicable and as the context may require).

Generally, portfolio transactions for the Clients are cleared through brokerage accounts maintained at various brokerage institutions, each of which may or may not also act as a custodian for such

clients. The Underlying Managers select the broker-dealers to execute transactions on behalf of the Fund. In the discretion of the relevant investment vehicle, portfolio assets may be held for the benefit of such entity by other financial institutions, including any brokers or dealers or other institutions through which the relevant entity effects transactions. The relevant entity may engage and pay fees and/or commissions to other or additional custodians, prime brokers and/or brokers, including without limitation, affiliates of the Firm, at any time.

In general, portfolio transactions are executed by brokers and dealers selected on behalf of clients on the basis of their ability to effect prompt and efficient executions at competitive rates and also in consideration of such brokers' provision or payment of brokerage or research services (referred to as payment made by "soft dollars," as further discussed herein). Reasonableness of commissions is assessed based on numerous factors, including but not limited to the nature of the services provided and the rates charged by competitors for the same or similar services.

An Underlying Manager may clear and settle securities transactions through various brokers of its selection. Clients will be charged commissions by any broker or dealer utilized by the Underlying Manager.

- (i) Research and Other Soft Dollar Benefits Section 28(e) of the United States Securities Exchange Act of 1934, as amended, establishes a safe harbor (the "Section 28(e) safe harbor" or "safe harbor") allowing Underlying Managers to use client funds, by way of commission dollars, to purchase certain brokerage and research services. The use of such commission dollars to obtain research or other products or services benefits the clients, who do not have to produce or pay for such research, products or services. Further, the amount of commissions paid by a client, if any (directly or indirectly), must be reasonable in light of the value of the brokerage or research services offered, taking into account various factors, including commission rates, financial responsibility and strength and ability of the broker to efficiently execute transactions. This practice may create an incentive to select or recommend a broker-dealer based on research or other products rather than on a client's interest in best execution.

The Section 28(e) safe harbor is only available under certain circumstances and covers research services provided by brokers which generally include advice, analyses and reports, and may specifically include traditional research reports analyzing the performance of a

particular company or stock, certain financial newsletters and trade journals, quantitative analytical software and software that provides analyses of securities portfolios, seminars, conferences and other services that reflect substantive content (i.e., the expression of reasoning or knowledge relating to the subject matter of Section 28(e)) and provide lawful and appropriate assistance to the Underlying Manager in the performance of its investment decision-making responsibilities on behalf of a client.

To the extent applicable, an Underlying Manager may use soft dollars within the parameters of the Section 28(e) safe harbor, for items including but not limited to research advice, analyses and reports and products and services that relate to the execution of a trade (e.g., connectivity services and trading software).

Item 13. Review of Accounts:

- (A) The Firm's Managing Members review client accounts periodically, on an as-needed basis. Such meetings involve discussing whether particular strategies or investment limitations would suit a client. The Firm's research team meets regularly to discuss current and potential Underlying Managers and their strategies. In addition, our risk team monitors the trading activity within client accounts to ensure compliance with the applicable investment strategies and limitations.
- (B) In the event an Underlying Manager violates its risk parameters, the Firm's Managing Members would engage in a review of the account at issue. Such a review would, at such time, involve working with the Underlying Manager at issue to understand the circumstances and devise an appropriate solution.

Item 14. Client Referrals and Other Compensation:

- (A) Economic Benefits Provided by Non-Clients. The Firm does not receive, from any non-Client, any economic benefit associated with advising Clients. However, Messrs. LaGrego and Formato, as the case may be, may receive, directly or indirectly, commissions or other compensation in connection with certain transactions by the Underlying Managers, as disclosed above in Item 5(E).
- (B) While not presently retained, the Firm reserves the right to retain one or more affiliated or non-affiliated Placement Agent(s). Our Chief Compliance Officer will determine whether any such arrangements are subject to SEC Rule 206(4)-3 and if so, whether

the arrangements comply with such rule and any other applicable laws.

- (C) As soon as practicable following completion of the annual audit of the Funds, the Firm will prepare and mail, or will cause to be prepared and mailed, to each limited partner or shareholder a financial report presented in accordance with GAAP, together with the report thereon submitted by the accountants selected by the General Partner, setting forth, as of the end of such Fiscal Year and for each Fund in which they are invested: (a) a balance sheet, (b) an income statement and (c) a statement showing the aggregate fund gains and aggregate fund losses for such year.
- (D) In addition, as soon as practicable following the end of each month, the Firm prepares and mails, or causes to be prepared and mailed, to each Special Investor a statement of such Special Investor's capital account balance. Tax information, including, but not limited to a Form K-1, will be provided and shall set forth in sufficient detail such information as shall enable each limited partner, or former limited partner, as necessary, to prepare its respective income tax returns in accordance with the laws, rules and regulations then prevailing.

Item 15. Custody:

By virtue of the fact that the Firm acts as investment adviser to the Fund and has an affiliated party who acts as General Partner to the Fund, the Firm may be deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, the Fund is audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). The Firm sends these audited financials to each Fund investor, as appropriate, within 120 days of the Fund's fiscal year end.

Advisers that are general partners to limited partnerships, hedge funds or other pooled investment vehicles ("investment pool") (or that have related persons that are general partners to limited partnerships) may be exempt from the annual surprise examination provided that the investment pool is audited at least annually by an accountant that is both registered with, and subject to regular inspection by, the PCAOB; and the audited financial statements are distributed to each investor in the investment pool (or their independent representative) within 120 days of the fiscal year-end of the investment pool (180 days for fund of funds).

Item 16. Investment Discretion:

The Firm has discretionary investment authority over the investments of the assets of the Fund. The Underlying Managers have broad discretionary authority to manage securities accounts on behalf of a client, including the Fund, which is an investor in our funds of the Underlying Managers.

Item 17. Voting Client Securities:

- (A) The Firm will not vote proxies as it only invests the assets of the Fund with the Underlying Managers. The Underlying Managers will have discretionary authority for investment decisions by its clients, and thus will have the authority to vote proxies on behalf of its clients.
- (B) The Firm does not have authority to vote client securities. Please refer to Item 17(A).

Item 18. Financial Information:

- (A) The Firm is not required to attach a balance sheet as it does not require or solicit prepayment of fees six months or more in advance.
- (B) Because the Firm has discretionary authority over and/or custody of client funds or securities, the Firm has disclosed, as follows, any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients: **None**.
- (C) The Firm has not been the subject of a bankruptcy petition during the past ten years.

Item 19. Requirements for State-Registered Advisers: N/A