

**ITEM 1:**  
**COVER PAGE**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**FORM ADV PART 2A: FIRM BROCHURE**

**CASTLE RIDGE INVESTMENT MANAGEMENT LP**  
**591 WEST PUTNAM AVENUE**  
**GREENWICH, CT 06830**  
**(203) 422-7739**

**March 18, 2015**

**This brochure provides information about the qualifications and business practices of Castle Ridge Investment Management LP., an investment adviser that is applying for registration with the United States Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this brochure, please contact us at (203) 422-7739. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.**

**Registration with the SEC does not imply a certain level of skill or training.**

**Additional Information about Castle Ridge Investment Management LP. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2: MATERIAL CHANGES**

This is Castle Ridge Investment Management LP.'s initial filing and therefore there are no material changes to report.

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#### **ITEM 4: ADVISORY BUSINESS**

Castle Ridge Investment Management LP. (“Castle Ridge”) is a Delaware limited liability company that has been in business since March 2015. Castle Ridge will be the sponsor and serve as discretionary investment adviser to private investment funds (the “Funds”) that will be offered to investors. The Funds primarily consist of U.S. limited liability companies (“US Feeder Funds”) that are generally required to invest substantially all of their assets into Cayman Islands companies (“Master Funds”), and Cayman Islands companies (“Cayman Islands Feeder Funds”) that are generally required to invest substantially all of their assets into Cayman Islands limited partnerships which in turn are generally required to invest substantially all of their assets into the Master Funds. The investments of the US Feeder Funds and Cayman Islands Feeder Funds are managed at the Master Fund-level. Castle Ridge may also manages several managed accounts for institutional clients and other private investment funds (the “Managed Accounts”). The Funds and Managed Accounts are sometimes referred to herein as the “Clients.”

Castle Ridge is wholly owned by Mr. Michael Jay Swotes.

While Castle Ridge does not specialize in any particular type of advisory service, it does focus on a particular sector of the equity markets (*i.e.*, real estate). Castle Ridge will advise with respect to public equity securities of real estate and real estate-related companies (both common and preferred), including, but not limited to, real estate investment trusts (REITs) and their international equivalents, real estate operating companies (REOCs), real estate finance companies, undervalued real estate rich operating companies, lodging, gaming and leisure companies, land companies and homebuilders, facilities based healthcare provider, real estate rich retailers and infrastructure companies. Castle Ridge also advises with respect to options and other derivatives.

Castle Ridge is to have full discretion in trading on behalf of the Funds and therefore does not require, and does not seek, approval from the Funds or the investors in the Funds with respect to its trading. Managed Account Clients may impose certain investment restrictions pursuant to individually negotiated agreements with such Clients. Castle Ridge does not participate in wrap fee programs and does not manage wrap fee accounts.

As of the date of this brochure filing, Castle Ridge does not yet have any Client assets on a discretionary basis nor any assets on a non-discretionary basis.

#### **ITEM 5: FEES AND COMPENSATION**

##### **Castle Ridge Compensation**

With respect to the Funds, management fees are directly deducted from, on a quarterly basis, and performance-based compensation is directly allocated from, on an annual basis, investors’ investments in the Funds. The quarterly management fees paid by the Funds are paid in advance. Investors who redeem or withdraw from a Fund do not need to seek refunds of management fees because the permitted dates for withdrawals from the Funds are as of quarter-end, at which time the management fee will have been earned.

Managed Accounts are to be generally invoiced on a quarterly basis. Some Managed Accounts may be invoiced in advance of each quarter, and others in arrears.

Castle Ridge may, in its discretion, waive or reduce its management fees or performance-based compensation.

Castle Ridge's fee schedule is omitted because this Brochure is only being delivered to qualified purchasers as defined in the Investment Company Act of 1940, as amended (the "Company Act").

## **Fund Expenses**

In addition to the compensation it pays to Castle Ridge, each Fund also pays all expenses relating to its business, such as investment expenses (*e.g.*, expenses related to the investment of assets, such as brokerage commissions), costs, fees and expenses of the auditors, accountants, legal advisors and administrator of the Fund; directors' fees and expenses (if applicable); custody fees; indemnification expenses; commissions, spreads and interest expense; and other expenses related to the business of such Fund. The Funds have the authority to invest in securities of investment companies that are not managed by Castle Ridge, such as closed-end funds, open-end funds and exchange traded funds, as part of the Funds' hedging, trading and investment strategies. To the extent that a Fund invests in such securities, such Fund incurs layered fees; that is, it not only pays fees directly to Castle Ridge, but also pays fees charged by the entities that manage the investment company's securities. Such fees may include custodial fees, management fees, early termination fees and other fees and expenses assessed by the sponsor, custodian, transfer agent or other service providers of an investment company.

Managed Accounts generally incur similar types of expenses.

It is anticipated that neither the Funds nor the Managed Accounts will pay any of Castle Ridge's internal expenses. *Please also see "Item 12: Brokerage Practices" below.*

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described above in "Item 5: Fees and Compensation," Castle Ridge generally receives performance-based compensation with respect to the Funds and the Managed Accounts. Such performance-based compensation is based on a percentage of the appreciation in the net asset value of each investor's interest in the Funds (and the applicable Managed Accounts). The fact that Castle Ridge is compensated based on trading profits may create an incentive for Castle Ridge to make investments on behalf of the Funds and Managed Accounts that are riskier or more speculative than would be the case if Castle Ridge were only compensated based on a flat percentage of assets, because these investments may allow Castle Ridge to collect larger performance-based compensation. In the event that the fees and other remuneration to Castle Ridge from a Client are higher than those generated by another Client, Castle Ridge would have financial or other incentives to favor Clients generating higher remuneration. In addition, Castle Ridge may assist in determining the fair value of the Funds' (and applicable Managed Accounts') assets which impacts the value of the compensation paid to Castle Ridge. Further, the performance-based compensation received by Castle Ridge is based on realized and

unrealized gains and losses. As a result, the performance based compensation earned could be based on unrealized gains that the Funds and Managed Accounts may never realize.

## **ITEM 7: TYPES OF CLIENTS**

Castle Ridge is to provide investment advice to the Funds and the Managed Accounts. Investors in the Funds and Managed Accounts are typically high net worth individuals, other pooled investment vehicles, pension and profit-sharing plans, trusts, estates or charitable organizations, and other corporations or business and/or religious entities. The Funds limit investors to U.S. persons who are both “qualified purchasers” as defined in the Company Act and “accredited investors” as defined in the Securities Act of 1933, as amended, and non-U.S. persons. The Funds require a minimum initial investment of \$5 million, although this minimum can be waived in Castle Ridge’s sole discretion. The minimum investment for Managed Accounts is determined on a case-by-case basis in Castle Ridge’s discretion.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

*All references in this section to the Funds will be deemed to refer to Castle Ridge’s Clients unless the context otherwise requires.*

### **Investment Strategy & Objective**

The investment objective of the Clients is to generate attractive risk-adjusted returns investing in the Fund’s target investment universe while limiting volatility and correlation to the equity markets-discuss. To do this, the Clients will employ a fundamental, value based, long/short equities strategy that invests principally in the public equity securities of companies that derive significant value from real estate holdings or operations (“Real Estate Related Companies”). Real Estate Related Companies include but are not limited to: i) real estate investment trusts (“REITs”) and their international equivalents; ii) lodging, gaming and leisure companies; iii) homebuilders, building materials and aggregates companies; iv) real estate finance, services, development and construction management companies; v) facilities based healthcare service providers; vi) retailers that own a significant percentage of their store network; and vii) select infrastructure companies.

The strategy of the Fund focuses on identifying pricing inefficiencies in Real Estate Related Companies using “bottom up” company-specific fundamental and financial analysis. The Investment Manager will identify and purchase securities in companies that the Investment Manager believes are undervalued and will increase in value, and the Investment Manager will sell short securities in companies that the Investment Manager believes are overvalued and will either drop in value (or at least underperform regardless of the market’s overall direction), or will hedge long positions within the Fund. The Investment Manager will also use this fundamental analysis to identify investment themes that the Investment Manager believes can also achieve attractive risk-adjusted returns. Within our investment universe, the Fund will be opportunistic and invest in a mix of core long positions, core short positions, event driven positions, long/short relative value positions, shorter duration long and short trading positions, and position specific and portfolio level hedges.

The Funds have a broad mandate to invest in all types of real estate securities and real estate-related securities; however, the Funds may not invest in physical real estate properties.

***Risk Management.*** Risk management is of primary importance to Castle Ridge in its effort to preserve capital and provide superior risk-adjusted returns. The risk management process is monitored daily by Castle Ridge on both an individual security and portfolio basis. The process will incorporate proprietary quantitative tools, fundamental research and judgment. In addition, the Investment Manager will use proprietary and third-party analytical tools to monitor potential risk in the Fund's portfolio. The Funds are subject to certain general limitations (which may or may not include leverage limitations) as set forth in more detail in the Funds' confidential offering memoranda or investment advisory agreements.

### **Material Risks of Investment Strategy**

Investing in securities and derivatives involves a risk of loss that investors in the Funds and Managed Account holders should be prepared to bear. Investors are relying on the discretionary market judgment of Castle Ridge. The following is a summary of some of the material risks associated with Castle Ridge's investment strategies. This summary does not attempt to describe all of the risks associated with an investment in a Fund or holding a Managed Account or all risks associated with the strategies thereof. Although no summary can fully describe all of the risks associated with an investment in the Funds or opening a Managed Account, the confidential offering memorandum for each Fund contains a more complete description of the risks associated with an investment in the Funds.

***General Market Risks.*** The investment strategies implemented by Castle Ridge on behalf of its Clients are subject to some dimension of market risk: directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, "flights to quality," "credit squeezes," etc. Castle Ridge's style of alternative investing may be no less speculative than traditional investing strategies. In fact, due in part to the degree of leverage which the Clients may employ and the leverage embedded in the derivative instruments in which the Clients may invest, the Clients may from time to time incur sudden and dramatic losses.

The particular or general types of market conditions in which the Clients may incur losses or experience unexpected performance volatility cannot be predicted, and the Clients may materially underperform other investment funds with substantially similar investment objectives and approaches.

***Market Disruptions.*** The Clients may incur major losses in the event of disrupted markets and other extraordinary events in which the value of real estate securities and real estate-related securities becomes severely depressed. In particular, certain of the Clients experienced losses in 2008 during the disruption of markets in general. Such market conditions may repeat in the future in which case the Clients may incur losses again. The risk of loss is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving.

A financial exchange may from time to time suspend or limit trading. Such a suspension could render it impossible for the Clients to liquidate their positions and thereby expose them to losses. There is also no assurance that non-exchange markets will remain liquid enough for the Clients to close out positions.

***Recent Disruptions; Governmental Intervention; Dodd-Frank Wall Street Reform and Consumer Protection Act.*** The global financial markets have in the past few years gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action — these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Clients may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Clients from their banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Clients to the extent they utilize financing. Further, Castle Ridge actively manages its risk so any time such disruption occurs, it takes steps to mitigate loss. However there can be no assurance such steps will limit losses.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) was enacted in July 2010. The Dodd-Frank Act has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Under the Dodd-Frank Act, the CFTC and the SEC have mandated (and will mandate) new recordkeeping, reporting, central clearing and mandatory trading on electronic facilities requirements for investment advisers, which add costs to the legal, operational and compliance obligations of the Investment Manager and the Fund and increase the amount of time that the Investment Manager spends on non-investment-related activities. The Dodd-Frank Act affects a broad range of market participants with whom the Fund interacts or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, payday lenders and broker dealers, and may change the way in which the Investment Manager conducts business with its counterparties. It may take years to



understand the impact of the Dodd-Frank Act on the financial industry as a whole, and therefore, the continued uncertainty may make markets more volatile and make it difficult for the Investment Manager to execute the investment strategy of the Fund.

***Volatility; Real Estate-Related Investments.*** Investments in real estate securities and real estate-related securities are susceptible to the risks associated with direct ownership of real estate, including, without limitation, declining property values, increasing property taxes, operating expenses, changes in the level of prevailing interest rates, competition, overbuilding, zoning changes, changes in general and local economic conditions, eminent domain; fluctuations in rental income; changes in neighborhood values; the appeal of properties to tenants; and losses from casualty or condemnation, and other factors that are beyond the control of Castle Ridge can, in turn, adversely affect the yield or return on real estate securities and real estate-related securities.

The yields available from investments in real estate securities and real estate-related securities depend on the amount of income and capital appreciation generated by the underlying properties. If the properties do not generate sufficient income to meet operating expenses, including, where applicable, debt service, ground lease payments, tenant improvements, third-party leasing commissions and other capital expenditures, the income and ability of the real estate company to make payments of any interest and principal on its debt securities will be adversely affected. In addition, real property may be subject to the quality of credit extended and defaults by borrowers and tenants. Furthermore, real estate investments are relatively illiquid and, therefore, the ability of real estate companies to vary their portfolios promptly in response to changes in economic or other conditions is limited. A real estate company may also have joint venture investments in certain of its properties, and consequently, its ability to control decisions relating to such properties may be limited. Real property investments are also subject to risks which are specific to the investment sector or type of property in which the real estate companies are investing.

REITs and other real estate-related companies in which Castle Ridge may invest on behalf of its Clients may be affected by changes in the value of the underlying property owned by such entity and by the quality of credit extended. Such entities will also be subject to heavy cash flow dependency, defaults by borrowers, self-liquidation and the possibility of failing to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”).

REITs are subject to a highly technical and complex set of provisions in the Code. It is possible that Castle Ridge may invest on behalf of its Clients in a company that purports to be a REIT and that such company could fail to qualify as a REIT. In the event of any such unexpected failure to qualify as a REIT, the company would potentially be subject to corporate-level taxation, significantly reducing the return to Castle Ridge’s Clients on their investment in such company.

The prices of some of the real estate securities and real estate-related securities and related instruments in which Castle Ridge trades on behalf of its Clients have been subject to periods of excessive volatility in the past (including over the past several years), and such periods can be expected to recur (or continue). Price movements are influenced by many

unpredictable factors, such as market sentiment, inflation rates, interest-rate movements and general economic and political conditions.

While volatility can create profit opportunities, it can also create the specific risk that historical or theoretical pricing relationships will be disrupted, causing what should otherwise be comparatively low risk positions to incur significant losses. On the other hand, the lack of volatility can also result in losses for certain positions that profit from price movements.

***General Risks of Investments in Real Estate Securities.*** The risks of investing in real estate securities and real estate-related securities include, without limitation, general and local economic and social conditions, fluctuations in real estate values and changes in interest rates.

***Market Illiquidity.*** Despite the generally heavy volume of trading in most of the real estate securities and real estate-related securities traded by the Clients, the market for certain of these instruments may have limited liquidity. Lack of liquidity can make it economically infeasible for the Clients to recognize profits on open positions or to close out open positions against which the market is moving.

***Arbitrage Transaction Risks.*** Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. Castle Ridge may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent Castle Ridge is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable “spreads,” which can also be identified, reduced or eliminated by other market participants.

***Relative Value Strategy Risk.*** Castle Ridge may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying trading positions were to fail to converge toward, or were to diverge further from, Castle Ridge’s expectations, the Clients may incur a loss. Even pure riskless arbitrage can result in significant losses if the arbitrage is not sustained (due, for example, to margin calls) until expiration, and Castle Ridge, on behalf of its Clients will rarely engage in true arbitrage as opposed to relative value trading (which is inherently a higher-risk strategy).

In implementing “relative value” strategies Castle Ridge seeks to reduce exposure to the risk of overall market price movements, but is fully exposed to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence of its valuation models.

***Directional Trading.*** Certain of the positions taken by Castle Ridge may be designed to profit from forecasting absolute price movements in a particular instrument. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, may not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

**Leverage.** Castle Ridge will utilize leverage to varying degrees in connection with trading strategies on behalf of its Clients. This will result in its Clients controlling more assets than they have in equity. Leverage increases returns if a Client earns a greater return on investments purchased with borrowed funds than the cost of borrowing such funds. However, the use of leverage exposes such Clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Clients not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions, and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Clients' cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the assets, the Clients might not be able to liquidate assets quickly enough to repay their borrowings, further magnifying their losses.

**Financing Arrangements; Availability of Credit.** The Clients depend on the availability of credit with respect to any use of leverage. There can be no assurance that the Clients will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that provide financing can apply essentially discretionary margin, haircut, financing, security and collateral valuation policies and, from time to time (for example, during the "market crises" of 1994, 1998 and 2008 — 2009), have largely eliminated the availability of financing in an attempt to protect their capital. Reductions in available leverage would not only make it difficult for Castle Ridge to implement its strategies prospectively, but also would force Clients to liquidate their existing positions, likely at material losses. Changes by banks and dealers in the foregoing policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time as they would be expected to be in times of losses. The imposition of such limitations or restrictions could compel the Clients to liquidate all or part of their portfolio at disadvantageous prices.

**Counterparties and Brokers; Settlement Risk.** The financial institutions and counterparties, including banks and brokerage firms, with which Castle Ridge's Clients trade or invest may encounter financial difficulties and default on their respective obligations to such Clients. Any such default could result in material losses to the Clients.

To the extent that the Clients invest in options, swaps, derivative or synthetic instruments, forward contracts or other over-the-counter transactions or in non-U.S. securities, in certain circumstances, the Clients may be subject to credit risk with regard to parties with whom they trade 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 into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Recent collapses of large derivative dealers illustrate the risks of such trading.

The Clients' assets may not always be segregated, and there may be practical or time problems associated with enforcing the Client's rights to its assets in the case of an insolvency of any such party. Furthermore, to the extent a Client enters into over-the-counter agreements, such as swaps, the Client's counterparties generally hold the Client's assets on a non-segregated basis and the Client will be exposed to credit risk with regard to such counterparties.

In some jurisdictions, the Client and Castle Ridge may only be unsecured creditors of their counterparties in the event of bankruptcy or administration of such counterparties. Recent apparently significant losses incurred by many hedge funds in relation to the bankruptcy and/or administration of Lehman Brothers Holdings and its affiliates illustrate the risks incurred in both derivatives trading and custody/brokerage arrangements. Many Lehman Brothers customers have had their accounts frozen, and the inability to access these funds or positions has led to losses as well as extraordinary actions by such hedge funds, such as postponing redemptions on net asset value or declaring sidepockets for such assets.

**Turnover.** While Castle Ridge may engage in high-volume trading on behalf of its Clients, it does not expect to do so. High-volume trading can have a negative effect on performance as a result of, for example, transaction costs such as brokerage commissions and tax inefficiencies.

**Short Sales.** The Clients may sell securities short. A Client may engage in short-selling by selling a security that such Client does not own, or selling a security that it owns but which it does not deliver upon consummation of the sale. In order to make delivery to the buyer of a security sold short, the seller must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The seller must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period. The seller may have to pay a premium to borrow the security. This obligation normally must, unless the seller then owns or has the right to obtain, without payment, securities identical to those sold short, be collateralized by a deposit of cash or marketable securities with the lender. Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by the Clients. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing the loss incurred. Furthermore, the Clients may prematurely be forced to close out a short position if a counterparty from which the Clients borrowed securities demands the securities' return, resulting in a loss on what might otherwise have been a profitable position and potentially resulting in unhedged exposure to a long, unmatched trade.

During the severe market disruptions following the bankruptcy of Lehman Brothers Inc. in September 2008, the SEC and other securities regulators in a number of countries imposed bans on the short-selling of financial sector securities. These limitations typically were imposed on an "emergency" basis, making it impossible for numerous market participants to either initiate new net short strategies in securities maintained on the restricted list or to continue to implement their strategies.

***Securities Lending.*** The Clients may borrow and lend securities on an ongoing basis in the regular course of their investing. In doing so, the Clients may lend securities to, or borrow securities from, other accounts managed by Castle Ridge as well as to third parties. This transaction would (i) generate income for the Clients and (ii) give the Clients access to “hard-to-borrow” securities held by other accounts managed by Castle Ridge that could not be obtained from third parties. These transactions involve potentially material conflicts of interest.

Third parties that will borrow securities from the Clients may not be able to return these securities on demand, possibly causing the Clients to default on their obligations to other parties, and may also default on the payment obligations owed to the Clients in connection with such securities loans, potentially resulting in substantial losses to the Clients.

***Reliance on Corporate Management and Financial Reporting.*** The investment strategies implemented by Castle Ridge may rely on the financial information made available by issuers in which Castle Ridge’s Clients invest and such issuers’ trustees or managers. Castle Ridge has no ability to independently verify the financial information disseminated by these third parties and is dependent upon the integrity of both the management of these third parties and the financial reporting process in general. Recent events have demonstrated the material losses that investors can incur as a result of corporate mismanagement, fraud and accounting irregularities.

***Currency Hedging.*** While the Funds and Managed Accounts will be denominated in U.S. dollars, some of the underlying investments may be denominated in multiple currencies. Accordingly, any hedging of currency exposure that is implemented by the Funds and Managed Accounts will primarily involve hedging back to the U.S. dollar, but in certain circumstances may involve other hedging activities. There is no assurance that the Funds and Managed Accounts will attempt to hedge their overall currency exposure, or, if they do engage in hedging activity, that this activity will be effective.

***Currency Risks.*** The investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

#### ***Certain Instruments Traded***

***Common Stocks.*** The Clients may invest a substantial amount of its capital in common equity. Common stock prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries, investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

***Equity Securities Generally.*** A number of Castle Ridge’s strategies are based on attempting to predict the future price level of different equity or equity-related securities. Numerous inter-related and difficult-to-quantify economic factors, as well as market sentiment, subjective and extraneous political, climate-related and terrorist factors, influence the prices of equities. There can be no assurance that Castle Ridge will be able to predict future price levels

correctly. Castle Ridge's directional equity positions may be leveraged, and even comparatively minor adverse market movements can result in substantial losses.

*Small to Medium Capitalization Companies.* The Clients may invest a portion of their assets in the stocks of companies with small-to medium-sized market capitalizations. While Castle Ridge believes these investments often provide significant potential for appreciation, these stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of these stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some these stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

*Derivatives.* The Clients may use derivative financial instruments, including, without limitation, warrants, options, swaps, convertible securities and options, both for hedging and/or for speculative purposes. The use of derivative instruments involves a variety of material risks, including the leverage often embedded in such instruments and the possibility of counterparty non-performance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative (i.e., due to nonconformance to anticipated or historical correlation patterns). In addition, the markets for certain derivatives are frequently characterized by limited liquidity, which can make it difficult as well as costly for the Clients to close out positions in order either to realize gains or to limit losses.

*Non-U.S. Securities.* The Clients may trade and invest in real estate securities and real estate-related securities based on real estate located outside of the United States. Investing in these securities involves considerations and possible risks not typically involved in investing in real estate securities and real estate-related securities relating to United States-based real estate, including the instability of certain non-U.S. governments, the possibility of expropriation, nationalization, limitations on the use or removal of funds or other assets and changes in economic or monetary policy. The application of non-U.S. tax laws (e.g., the imposition of withholding taxes on dividend or interest payments, income taxes and excise taxes) or confiscatory taxation may also affect investment in non-U.S. securities. The Clients may incur higher expenses from investment in non-U.S. securities than from investment in U.S. securities because of the costs that must be incurred in connection with conversions between various currencies and because non-U.S. brokerage commissions may be higher than commissions in the United States. Non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Investments in non-U.S. countries could be adversely affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

*Emerging Market Investing.* The Clients may invest a portion of their assets in equity securities and related instruments in emerging markets. In addition, Castle Ridge, on behalf of its Clients, may utilize derivatives in emerging markets to gain synthetic exposure to equity securities. The value of emerging market instruments may be drastically affected by political developments in the country of issuance. In addition, the existing governments in the relevant countries could take actions that could have a negative impact on the Clients, including nationalization, expropriation, imposition of confiscatory taxation or regulation or imposition of

withholding taxes on interest payments. The economies of many of the emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. Also, many emerging market country economies have a high dependence on a small group of markets or even a single market. Emerging market countries tend to have periods of high inflation and high interest rates as well as substantial volatility in interest rates. The value of emerging market debt can be expected to be extremely sensitive to changes in interest rates worldwide and, in particular, in the country of the relevant issuer. Emerging market debt issuers and their obligations are not generally rated by any credit rating agency, and a significant proportion of such issuers and obligations would likely fall in the lowest rating category if they were rated.

#### **ITEM 9: DISCIPLINARY INFORMATION**

Neither Castle Ridge nor any of its affiliates have been the subject of any legal or disciplinary events related to their investment advisory business.

#### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Not Applicable

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

##### **Code of Ethics**

Castle Ridge has adopted a Code of Ethics pursuant to SEC rule 204A-1. The Code of Ethics includes Castle Ridge's policies as they relate to personal investment and trading by Castle Ridge management and employees, and includes a requirement that securities holdings be reported and approval procedures for certain transactions. The Code of Ethics describes material and nonpublic information and the restrictions on trading on any material and nonpublic knowledge and sets forth the responsibilities of all supervised persons relative to insider trading.

Castle Ridge's Code of Ethics requires, among other things, that Castle Ridge personnel conduct themselves with honesty and integrity, bearing in mind that their conduct reflects on the Castle Ridge's reputation, refrain from any activity that places or appears to place their interests ahead of the interests of Castle Ridge's Clients, observe ethical standards of honesty and integrity and comply with the federal securities laws pertaining to their conduct and Castle Ridge's business.

The following are basic standards of conduct that Castle Ridge personnel are expected to meet:

- Castle Ridge personnel must act with honesty and integrity, and treat Clients in a fair and equitable manner.
- Castle Ridge personnel must keep any information obtained in the course of activities for Castle Ridge, which is not otherwise generally available to the public, strictly

confidential. Castle Ridge personnel may not use, for their personal gain, any information obtained from their position with Castle Ridge.

- Castle Ridge personnel must not (i) misuse material, non-public information; (ii) employ any device, scheme or artifice to defraud current or potential Clients; (iii) make any untrue statement of a material fact to a current or potential Client or omit to state to such Client a material fact necessary in order to make the statements made in light of the circumstances under which they are made, not misleading; (iv) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon current or potential Clients; or (v) engage in any manipulative practice with respect to Clients or potential Clients.
- Castle Ridge personnel must not knowingly sell for their own account any investment asset (including but not limited to an interest in a REIT or real estate-related asset) to a Client or knowingly purchase or otherwise acquire any investment asset (including but not limited to an interest in a REIT or real estate-related asset) from a Client without first obtaining the written approval of Castle Ridge and the informed, written consent of the Client.
- Castle Ridge personnel must use best efforts to avoid activities, relationships and interests that create an appearance of impropriety.
- Castle Ridge personnel must use best efforts to avoid engaging in any form of conduct that creates an actual conflict of interest, or creates the appearance of a conflict of interest, with a Client.
- Castle Ridge personnel and their immediate family members must not obtain a control interest or other control participation in a company with which Castle Ridge or an affiliate does business, unless otherwise approved in advance by Castle Ridge.
- Castle Ridge personnel must not acquire or dispose of any investment assets, including any interest in, or otherwise engage in any transaction involving, securities that may be traded for Clients.

Castle Ridge's Code of Ethics also requires its personnel to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide Castle Ridge with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

All principals and employees of Castle Ridge must acknowledge understanding and agree to comply with the Code of Ethics initially upon employment and must certify on an annual basis that they have read and understand the Code of Ethics and have complied with it.

None of Castle Ridge's principals and employees may trade and invest for their own accounts in the same securities as those in which Castle Ridge invests on behalf of its Clients. Trades for Castle Ridge, its principals or employees may be made at or near the time that trades



are placed for its Clients. As a result of a neutral allocation system, testing a new trading system, trading their proprietary accounts more aggressively, or any other actions that would not constitute a violation of fiduciary duties, Castle Ridge, its principals and employees may take positions in their proprietary accounts which are opposite or ahead of the positions taken for its Clients. The records of this trading will not be made available to its Clients (or investors in such Clients).

Castle Ridge's Code of Ethics is available to investors and potential investors upon request.

### **Conflicts of Interest**

In addition to the conflicts relating to Castle Ridge's receipt of performance-based compensation, which are discussed in Item 6 and Item 10 above and conflicts relating to choosing broker-dealers to effect transactions for the Clients as described in Item 12 below, investors in the Funds and Managed Accounts are subject to additional conflicts of interest. Some of these conflicts are summarized herein, but this summary does not attempt to describe all of the conflicts of interest associated with an investment in the Funds or Managed Accounts. The confidential offering memorandum for each Fund contains a more complete description of what Castle Ridge believes to be the most significant conflicts of interest associated with an investment in the Funds. Fund investors should carefully consider the conflicts of interest described herein and, as applicable, in the confidential offering memoranda for the Funds before deciding to invest in the Funds. Castle Ridge will consider any investor to have consented to these

***Other Activities.*** Other Accounts may have investment objectives, programs, strategies and positions that are similar to or may conflict with those of the Fund, or may compete with or have interests adverse to the Fund. Such conflicts could affect the prices and availability of Securities in which the Fund invests. Even if an Other Account has investment objectives, programs or strategies that are similar to those of the Fund, the Investment Manager may give advice or take action with respect to the investments held by, and transactions of, the Other Accounts that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, the Fund for a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment and tax treatment of the Other Accounts and the Fund. As a result, the Fund and an Other Account may have substantially different portfolios and investment returns. Conflicts of interest may also arise when the Investment Manager makes decisions on behalf of the Fund with respect to matters where the interests of the Investment Manager or one or more Other Accounts differs from the interests of the Fund.

***Other Clients.*** The Investment Manager, its affiliates and personnel will devote as much of their time to the activities of the Fund as they deem necessary and appropriate. The Investment Manager, its affiliates and personnel will not be restricted from forming Other Accounts, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities may be in competition with the Fund and/or may involve substantial time and resources of the Investment Manager, its affiliates or personnel. These activities could be viewed as creating a conflict of interest in that the time and effort of the

Investment Manager, its affiliates and personnel will not be devoted exclusively to the business of the Fund but will be allocated between the business of the Fund and the management of Other Accounts and businesses.

***Other Trading; Confidential Information.*** Castle Ridge may cause certain Clients to purchase or sell different securities from those purchased or sold by other Clients, as well as to purchase or sell the same securities that a particular Client is purchasing or selling at or about the same time. Conversely, Castle Ridge may cause a Client to purchase securities at or about the same time that another Client is selling such securities and vice versa. In each case, Castle Ridge will in good faith attempt not only to allocate market opportunities equitably among its different Clients — having in mind the different strategies followed by these different Clients as well as the need not to prefer any Client account over another.

A Client may from time to time purchase securities from, or sell securities to, other Castle Ridge Clients, in situations where Castle Ridge believes that both parties are benefited by the transaction and the securities involved have a readily determinable market value. In no event will Castle Ridge or any affiliate receive any form of compensation for effecting any such transactions (Castle Ridge receiving only its standard advisory compensation from the Clients).

The Castle Ridge Parties may acquire material non-public and/or confidential information that may restrict by law, internal policies or otherwise Castle Ridge from purchasing or selling securities for themselves or Clients or otherwise using or receiving such information for the benefit of the Castle Ridge Parties or their Clients. In order to maintain flexibility to invest in securities without violating securities laws that restrict trading while in possession of material non-public information, Castle Ridge may establish information walls restricting its access to material non-public information that might otherwise be available to it through its relationships with other Castle Ridge Parties.

***Transactions between the Funds and/or Managed Accounts and Castle Ridge.*** To the extent consistent with and not in violation of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), Castle Ridge may effect purchase and sale transactions between any Client with another Client (“Cross Trades”) when Castle Ridge, exercising its judgment in good faith, determines that a Cross Trade is mutually beneficial to the Clients and is fair and equitable. Castle Ridge will effect a Cross Trade at or with reference to the market price of the securities involved, and may effect such Cross Trade via a broker-dealer or other third party market participant. In effecting a Cross Trade, Castle Ridge will not intentionally favor one party to the transaction over the other, notwithstanding that in hindsight a Cross Trade may appear to have favored one party to the trade over the other. Castle Ridge will not receive commissions, or otherwise profit, from Cross Trades. Cross Trades will be effected only to the extent permitted by applicable law. In any Cross Trade, Castle Ridge will have a potentially conflicting division of loyalties and responsibilities regarding both Clients that are parties to a particular Cross Trade.

Castle Ridge may, when permitted, enter into “principal transactions” (including swaps) with any Client in which Castle Ridge acts as principal for its own account with respect to the sale of a security to or purchase of a security from such Client (any such transaction, a “Principal Trade”). Principal Trades will be completed in compliance with applicable law. In analyzing

Principal Trades, Castle Ridge will have a conflict between acting in the best interests of the relevant Client and assisting itself or its affiliate by selling or purchasing a particular security on account of the potential conflicts of interest involved. Castle Ridge as a matter of policy disfavors such trades and would only seek to enter into such a trade if it believed that such trade was in the best interest of the affected parties.

## **Trade Errors**

The Fund may on occasion experience errors with respect to trades made on its behalf. Trade errors may include, for example, (i) the placement of orders (either purchases or sales) in excess of, or less than, the amount of Securities the Fund intended to trade; (ii) the sale of a Security when it should have been purchased; (iii) the purchase of a Security when it should have been sold; (iv) the purchase or sale of the wrong Security; (v) the purchase or sale of a Security contrary to regulatory restrictions or Fund investment guidelines or restrictions; (vi) incorrect allocations of trades between the Fund and any Other Account that does not trade *pari passu* with the Fund; (vii) keystroke errors that occur when entering trades into an electronic trading system; and (viii) typographical or drafting errors related to derivatives contracts or similar agreements. Trade errors may result in losses or gains. The Investment Manager generally will seek to detect trade errors prior to settlement and promptly correct and/or mitigate them. To the extent an error is caused by a counterparty, such as a broker-dealer, the Investment Manager will seek to recover any losses associated with such error from the counterparty.

Pursuant to the exculpation and indemnification provided by the Fund and the Master Fund to the Investment Manager and its affiliates and personnel, the Investment Manager and its affiliates and personnel will generally not be liable to the Fund or the Master Fund for any act or omission, absent bad faith, gross negligence, willful misconduct or actual fraud and the Fund or the Master Fund, as applicable, will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Fund and/or the Master Fund, as applicable, absent bad faith, gross negligence, willful misconduct or actual fraud. As a result of these provisions, the Fund (and not the Investment Manager) will benefit from any gains resulting from trade errors and will be responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors, absent bad faith, gross negligence, willful misconduct or actual fraud. The Investment Manager will reimburse the Fund for losses for which the Investment Manager is responsible under the exculpation provisions. Given the potentially large volume of transactions executed by the Investment Manager on behalf of the Fund, investors should assume that trade errors (and similar errors) will occur and that, to the extent permitted by applicable law and under the Fund Documents, the Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of the Investment Manager's personnel.

## **ITEM 12: BROKERAGE PRACTICES**

### **Selection of Broker-Dealers**

The Investment Manager has complete discretion in deciding 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.

Portfolio transactions for the Fund will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Investment Manager and/or certain Accounts, but not beneficial to all Accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Investment Manager may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Investment Manager nor the Fund separately compensates any broker or dealer for any of these other services.

If the Investment Manager decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another: the ease of use; the flexibility of the ECN compared to other ECNs; and the level of care and attention that will be given to smaller orders.

The Investment Manager maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

### **Soft Dollars**

From time to time, the Investment Manager may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) 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 Manager 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 Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e). The Investment Manager 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 the Fund may be used by the Investment Manager to service one or more Other Accounts, including Accounts that may not have paid for the soft dollar benefits. The Investment Manager will not seek to allocate soft dollar benefits to Accounts in proportion to the soft dollar credits the Accounts generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to the Investment Manager (i.e., a "mixed

use” item), the Investment Manager 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 Manager’s allocation of the costs of such benefits and services between those that primarily benefit the Investment Manager and those that primarily benefit the Accounts.

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

At least annually, the Investment Manager 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 Accounts 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 Manager 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

### **Directed Brokerage**

Castle Ridge does not permit the investors in the Funds to direct brokerage. However, Clients in Managed Accounts may request Castle Ridge to utilize specific broker-dealers, and such requests are merely suggestions and not mandates. Castle Ridge retains ultimate discretion with respect to brokerage.

### **Aggregation of Purchase or Sale Orders**

Castle Ridge may aggregate sales and purchase orders of securities placed for one Client with similar orders being made simultaneously for other Clients, including affiliated Clients, where Castle Ridge believes this to be appropriate, in the best interest of the Client accounts, and consistent with applicable legal requirements. It is Castle Ridge’s policy to make all allocations of aggregated trades among participating accounts on a fair and equitable basis over time, to the extent practicable, without favoring any account or type of account or Client over another over a period of time. In addition, in making its investment decisions for each account, Castle Ridge will use its best judgment on behalf of each Client taking into consideration the investment guidelines for the account and other factors.

### **ITEM 13: REVIEW OF ACCOUNTS**

All accounts managed by Castle Ridge are reviewed and subjected to risk analysis (*e.g.*, exposure by sectors, sub-sectors, liquidity, *etc.*) on a daily basis by Castle Ridge's Chief Executive Officer and Chief Compliance Officer in consultation with one or more traders. Such analysis includes review of the day's trading in terms of actual trades, netted trades and daily, monthly and year-to-date profit and loss.

Castle Ridge furnishes to each investor in the Funds a summary written report of the relevant Fund's estimated performance on a monthly or quarterly basis, as well as an estimate of the increase or decrease in the balance of such investor's account during such time period, and such other information as Castle Ridge may deem appropriate. As soon as practicable after the end of each fiscal year, the Funds will furnish to each investor a report as of the end of such fiscal year, and will include the following information; (i) the audited balance sheet and income statement of the Fund; (ii) the investor's closing balance; (iii) the percentage change in the net asset value of the Fund during the latest fiscal year; and (iv) a copy of Schedule K-1 where applicable.

The Funds aim to deliver annual audited financial statements and applicable tax information within 90 days following the end of their fiscal years. However, because the positions and strategy of the Funds are complex and preparing financial statements and tax returns may depend upon information from third parties, the Funds may not be able to deliver to their investors financial statements and Schedule K-1 to the Funds' federal income tax return, where applicable, before the original time that investors are required to file their federal, state and local income tax returns without extensions. Therefore, investors may need to obtain one or more extensions of time to file their tax returns.

Reports with respect to Managed Accounts are individually negotiated with each Client.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

As discussed above in "*Item 12: Brokerage Practices*," certain broker-dealers or other counterparties may provide Castle Ridge certain "soft dollar" research or other services as a result of Castle Ridge executing transactions with such persons. See "*Item 12: Brokerage Practices*."

## **ITEM 15: CUSTODY**

The Investment Manager will be deemed to have custody of client funds and Securities because it will have 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.

The Investment Manager will be subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it will not be required to comply (or will be deemed to have complied) with certain requirements of the Custody Rule with respect to the Fund because it will comply with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that the 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.

The Prime Brokers are each a "qualified custodian" as such term is defined in the Custody Rule. The Investment Manager will maintain client assets in compliance with the Custody Rule.

Castle Ridge does not have custody with respect to its Managed Accounts.

## **ITEM 16: INVESTMENT DISCRETION**

Castle Ridge has full discretionary authority to conduct the trading activities and manage the assets of the Funds and Managed Accounts within the parameters of their investment objectives and strategies, pursuant to the Funds' confidential offering memoranda and the managed account agreements (some of which impose restrictions on the investment authority of Castle Ridge).

## **ITEM 17: VOTING CLIENT SECURITIES**

In compliance with Rule 206(4)-6 under the Advisers Act, the Investment Manager 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 Account's best interest and is in line with each Account's investment objectives.

The Investment Manager may take into account all relevant factors, as determined by the Investment Manager in its discretion, including, without limitation: (i) the impact on the value of the securities or instruments owned by the relevant Account and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices.

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

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

#### **ITEM 18: FINANCIAL INFORMATION**

Not applicable.