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The Form ADV, Part 2A (the “Brochure”) provides information about the qualifications and business practices of Malaga Management, LLC (“Malaga”).

If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Francisco Martin (818-851-7858 / francisco@malagaassetmgt.com). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about Malaga is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Malaga is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

The following are material changes made to the Brochure since the last annual update:

- None

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Item 4. Advisory Business

Malaga Asset Management, LLC (“Malaga” or the “Adviser”) is an investment adviser organized as a limited liability company under the laws of the State of Delaware. Francisco Martin, the Chief Executive Officer (the “CEO”), founded Malaga on December 2, 2015, and owns 100% of the Adviser. The Adviser has its principal place of business in Woodland Hills, California.

Malaga serves as an investment manager and provides discretionary advisory services to several related investment vehicles, including private pooled investment vehicles that are organized in the United States and/or certain foreign jurisdictions (each, a “Fund” or collectively the “Funds”). The Funds are typically part of a master-feeder complex.

Malaga formulates its investment advice for each Fund based on that Fund’s investment objectives, directs and manages each Fund’s investment portfolio on a discretionary basis in accordance with the terms of each Fund’s offering memorandum, limited partnership agreements and other governing documents applicable to each Fund (collectively, the “Governing Fund Documents”). Because it provides its advice directly to the Funds, Malaga does not tailor its advisory services individually for investors in the Funds (the “Investors”). The clients managed by Malaga may have significant overlap in terms of investment objectives and securities holdings, but each client has differing risk tolerances and investment goals, which result in different exposures.

The Adviser does not participate in wrap fee programs.

Item 5: Fees and Compensation

Malaga provides investment advisory services to each Fund pursuant to a separate investment management agreement (collectively, the “Agreements”). The Agreement for each Fund, along with specific Governing Fund Documents, establishes the fee structure for each Fund. Malaga typically receives fees equal to a specified percentage of each Fund’s net asset value and performance-based compensation equal to a specified percentage of the Fund’s net profits each year. Unless otherwise specifically noted, all fixed fees and incentive compensation amounts are charged solely at the relevant master fund level.

Management Fee: The Funds pay Malaga an annual asset-based investment management fee (the “Management Fee”) at a rate of 2% (per annum) of the net assets of each Fund. Each Management Fee is payable monthly in arrears based upon the total market value of the assets (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the last day of the month, and are deducted directly from the Fund(s)’ assets in accordance with the Governing Fund Documents pursuant to instructions provided to each Fund’s custodian, as applicable. Malaga and its affiliates reserve the right to waive or reduce Management Fees for certain Investors, including employees, as may be determined in Malaga’s sole discretion.

Incentive Allocations: A portion of each Fund’s net investment profit may be allocated to the capital account of its General Partner (or the General Partner’s delegate) as an “Incentive Allocation.” The manner of calculation of the Incentive Allocation is based on a percentage of capital gains on or capital appreciation of the assets. The specific percentage is disclosed in each Fund’s Governing Fund Documents, and may vary by Fund. Generally, however, 15% to 20% of the investment profits of each Fund, subject to a loss carryforward provision, are allocated as an Incentive Allocation on the last business day of the Fund’s fiscal year, or at the time of withdrawal or redemption by an Investor, subject to certain conditions set forth within the Governing Fund Documents. The Incentive Allocation of one Fund is further subject to a compounded annualized 3% hurdle rate with a high watermark. As is the case with Management Fees, Malaga and its affiliates reserve the right to waive or reduce Incentive Allocations for certain Investors, including employees, as may be determined in Malaga’s sole discretion.

Other Expenses Charged to the Funds: In addition to Management Fees and Incentive Allocations, the Funds will generally bear organizational expenses, legal, accounting, auditing and other professional expenses, administration expenses, investment expenses such as commissions, research expenses, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, bank services fees, fees and expenses for third party

administration (including middle and back office services), expenses attributable to regulatory filings which are made with respect to the Fund or the assets of the Fund (including Section 13, Section 16 and Form PF filings), and any other reasonable expenses related to the purchase, sale, preservation or transmittal of Fund assets. Fund(s) may also invest in investment company securities (e.g., mutual funds, closed- or open-end funds and exchange traded funds), which charge expense ratios and possibly other charges and expenses. Such expenses are in addition to Management Fees and Incentive Allocations received by Malaga (or its affiliate), and Malaga and its affiliates do not receive any portion of these charges. In addition, each Fund will incur brokerage and other transaction costs. Please refer to Item 12, the Brokerage section of this Brochure for a discussion of the Adviser's brokerage practices.

In the case of Funds structured as master-feeder funds, the feeder fund investors bear a pro rata share of the expenses associated with the related master fund.

Overhead Expenses: Each Fund's General Partner and the Adviser will pay all of their respective ordinary administrative and overhead expenses in managing Fund investments, including office rent, supplies, secretarial expenses, printing and stationery, charges for furniture and fixtures, employee insurance, payroll taxes, compensation of security analysts and other administrative personnel, and other reasonable overhead expenses of the Funds as determined by the General Partner in its sole discretion. Where applicable, the General Partner also bears any fees payable to the relying advisers.

Common expenses frequently will be incurred on behalf of the multiple client accounts. Malaga seeks to allocate those common expenses among its clients in a manner that is fair and reasonable over time. However, expense allocation decisions will involve potential conflicts of interest (e.g., an incentive to favor accounts that pay higher incentive compensation, or conflicts relating to different expense arrangements with certain clients). Under its current expense allocation practices, Malaga generally expects to allocate common expenses among the client accounts pro rata based on assets under management or in some other manner which Malaga determines is fair and equitable given the nature of the expenses and other relevant factors. Malaga may, however, use other methods to allocate certain common expenses among its clients if it deems another method more appropriate based on relative use of the product or service, the nature or source of the product or service, the relative benefits derived by each client from the product or service, or other relevant factors. Nonetheless, investors in the Funds should note that the portion of a common expense that Malaga allocates to each Fund for a particular product or service, may not reflect the relative benefit derived by the Fund from that product or service in any particular instance. Malaga's expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by Malaga in good faith will be final and binding on each client.

Malaga and its supervised persons do not accept compensation or commissions for the sale of securities or other investment products.

The recipients of this Brochure must refer to the detailed information found in each Fund's Governing Documents for specific information about the expenses charged to the Fund(s).

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

As described above, Malaga (or its affiliates) receives performance-based compensation in the form of Incentive Allocations. The fact that the Adviser receives performance-based compensation may create an incentive for it to make investments for the Funds that are riskier or more speculative than would be the case in the absence of that compensation. Malaga does not currently manage client accounts that are charged only asset-based fees (i.e., fees based simply on the amount of assets under management in an account) but reserves the right to do so in the future.

However, the performance-based compensation payable to the Adviser by certain Funds differs in terms of the rates and method of calculation from the amounts charged to other Funds, which may give the Adviser an incentive to favor some Funds over others. Malaga has a fiduciary duty to treat all Funds fairly and equitably and has implemented policies and procedures designed to ensure that clients are treated fairly, and to prevent this conflict from influencing the allocation of investment opportunities. Malaga also regularly reviews investment decisions to confirm that all Funds with substantially similar investment objectives are treated equitably, and regularly compares the performance of similarly managed Funds to identify any unexplained significant discrepancies. In addition, the Adviser's investment allocation procedures generally require that similarly managed Funds participate in investment opportunities pro rata based on relative asset size, subject to investment strategies and restrictions; risk management strategies; tax, legal, regulatory and other considerations; asset levels and cash flow considerations; portfolio liquidity and concentration; timing and size of capital contributions and redemptions; market conditions; whether certain Funds would receive nominal or de minimis allocation amounts; and participation in prior investments in the same issuer, among other reasons. Even client accounts that are typically managed on a *pari passu* basis may from time to time receive differing allocations based upon total assets of each account eligible to invest in the particular investment type divided by the total assets of all accounts eligible to invest in the particular investment.

Item 7. Types of Clients

Malaga provides discretionary management and advisory services to its clients, which currently consist of the Funds. Malaga provides such services to the Funds directly, subject to the Governing Fund Documents, and it does not individually provide services to Investors in the Funds. Malaga may, in the future, provide services to other types of clients, including separately managed accounts.

Investors in the Funds include, but are not limited to, high net worth individuals, banks and thrift institutions, investment companies, private funds, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

The minimum commitment for an Investor in a Fund is outlined each Fund's Governing Fund Documents. Each Fund may accept initial subscriptions for lesser amounts in the sole discretion of its General Partner or directors, as applicable. Investors will be required to meet certain suitability qualifications, depending on the Fund, such as being an "accredited investor" within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act and/or a "qualified purchaser" as defined under Section 2(a)(51) of the Investment Company Act of 1940.

Malaga may enter into separate agreements, commonly referred to as “side letters”, or other similar agreements with a particular Investor in connection with its admission to one of the Funds without the approval of any other Investor, which would have the effect of establishing rights under or supplementing the terms of the applicable Fund’s Partnership Agreement with respect to such Investor in a manner more favorable to such Investor than those applicable to other Investors. Such rights or terms in any such side letter or other similar agreement may include, without limitation: (i) excuse rights applicable to particular investments (which may increase the percentage interest of other Investors in, and contribution obligations of other Investors with respect to, such investments), (ii) reporting obligations, (iii) waiver of certain confidentiality obligations, (iv) consent to certain transfers by such Investor or (v) rights or terms requested or necessary in light of particular investment, legal, regulatory or public policy characteristics of a Investor.

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

Methods of Analysis and Investment Strategies

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research, charting analysis, cyclical analysis as well as use of quantitative tools and investment approaches, or technical analytical tools and approaches. The Adviser may also use margin to implement its trading strategies. Due to the size and investments held by certain Funds, the ability to utilize margin in certain cases may be affected by the actions taken by a related party. Investors should review the Governing Fund Documents for more information regarding the methods of investment analysis used by Malaga in regard to each Fund.

Risk of Loss

An investment in the Funds involves significant risks, certain of which are described in more detail in each Fund’s Governing Documents. An investment in the Fund(s) should be undertaken only by Investors capable of evaluating the risks of the Fund(s) and bearing the risks they represent. Prospective Investors must rely upon their own examination of and ability to understand the nature of the investment, including the risks involved, in making a decision to invest in the Fund(s). There can be no assurance that the Fund(s) will be able to achieve their investment objectives or that Investors will receive a return on their capital; investment results may vary substantially on a quarterly and annual basis. Each prospective Investor should make its own inquiries and consult its own advisors as to the Fund(s) and as to legal, tax and related matters concerning an investment in the Funds. PAST RESULTS ARE NOT INDICATIVE OF FUTURE PERFORMANCE. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.

The following summary identifies the material risks related to Malaga’s significant investment strategies and should be carefully evaluated before making any investment in accounts and/or Funds managed or advised by Malaga; however, the following does not intend to identify all possible risks of an investment in accounts and/or Funds managed or advised by Malaga or provide a full description of the identified risks. A more detailed list of risks is provided in the offering memoranda relating to each of the Fund(s).

Distressed Situation Risk. Investment in distressed situations exposes the client to significant risks, including: the difficulty in obtaining information as to the issuer's true condition; regulatory risk, including laws relating to fraudulent conveyances, voidable preferences, lender liability and bankruptcy; litigation risk; liquidity risk; and collection risk (especially, when dealing with sovereign debt). Moreover, to the extent client accounts are invested in sovereign debt obligations, those investments will be subject to additional risks and considerations not present in private distressed situations, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which are affected by world events, changes in U.S. foreign policy and other factors outside of the control of the Adviser.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

Interest Rate Risks. Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is generally greater for long-term securities than for short-term securities.

Currency Risks. The investments of Funds that are denominated in non-U.S. currencies 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. The Adviser may try to hedge these risks by investing in foreign currencies and options thereon, forward foreign currency exchange contracts, or any combination thereof, but there can be no assurance that such strategies will be implemented or, if implemented, will be effective.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Lack of Diversification. Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

Leverage. Performance may be more volatile if a client's account employs leverage. The Adviser's investment program utilizes a significant amount of leverage which involves borrowing funds from brokerage firms, banks and other institutions in an attempt to increase the return on

invested capital. Such use may also increase the adverse impact to which the investment portfolio of the Fund may be subject.

Relative Value Risk. In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

Short Selling Risk. The Adviser's investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

If the Adviser engages in frequent trading this will result in significantly higher commissions and charges to client accounts due to increased brokerage, which will offset client profits.

Asset-Backed Securities. Asset-backed securities are subject to interest rate risk and, to a lesser degree, prepayment risk. Asset-backed securities are subject to additional risks in that, unlike mortgage-backed securities, asset-backed securities generally do not have the benefit of a security interest in the related collateral. Each type of asset-backed security also entails unique risks depending on the type of assets involved and the legal structure used. In addition, asset-backed securities experience credit risk. There is also the possibility that recoveries on repossessed collateral may not be available to support payments on these securities because of the inability to perfect a security interest in such collateral.

Derivatives. Certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Adviser. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Distressed Securities. Investments in unrated or low grade debt securities of distressed companies are subject to greater risk of loss of principal and interest than higher-rated debt securities. Also, securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies. In addition, evaluating credit risk for foreign debt

securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Emerging Markets. The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

Illiquid Instruments. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

Mortgage-Backed Securities. Mortgage-backed securities are subject to credit risk associated with the performance of the underlying mortgage properties. Factors such as consumer spending habits, local economic and competitive conditions, tenant occupancy rates and regulatory or zoning restrictions, or the loss of a major tenant may adversely affect the economic viability of a mortgaged property. In addition, these securities are subject to prepayment risk. Some securities

have a structure that makes their reaction to interest rates and other factors difficult to predict, making their value highly volatile.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

REITs. REITs in which the Adviser invests client accounts are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITs depend generally on their ability to generate cash flow to make distributions to investors.

Security Futures and Options. In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

Item 9. Disciplinary Information

None

Item 10. Other Financial Industry Activities and Affiliations

The Adviser is not registered as a broker-dealer or a registered representative of a broker-dealer.

The Adviser, its affiliates, and management persons may have conflicts of interest in allocating their time, services and functions among the Funds and other business ventures. In an effort to minimize potential conflicts of interest, Malaga has adopted a Code of Ethics that requires the Adviser's supervised persons to act in the best interests of clients at all times

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

Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Malaga has adopted a written Code of Ethics (the “Code”) predicated on the principle that the Adviser owes a fiduciary duty to its clients (i.e., the Funds). The Code is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners or supervised persons of Malaga (the “Supervised Persons”), each Supervised Person’s spouse, minor children and other family members living in his or her household (the “Related Persons”), as well as each other individuals designated in writing by the Chief Compliance Officer as being subject to all or a portion of the compliance procedures or policies adopted by the Adviser (collectively, the “Covered Persons”). The Adviser requires its Supervised Persons to act in each Fund’s best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper. The Code also sets forth procedures and controls to prevent the misuse of material nonpublic information, and requires prompt internal reporting of Code violations; the pre-clearance of all transactions in equities, initial public offerings, and limited offerings; and periodic reporting of Covered Persons’ personal securities transactions and all holdings.

The Chief Compliance Officer has responsibility for the day-to-day administration of the Code and is responsible for periodically reviewing the reports provided by Covered Persons under the Code. Supervised Persons are required to immediately report any violation of the Code, as well as any Federal securities laws, to the Chief Compliance Officer. The restrictions of the Code do not preclude purchases of interests in the Funds. Covered Persons may be Investors in the Funds, and some or all of the key personnel of the Adviser and its affiliates may have significant interests in the one or more of the Funds as Investors.

This summary of the Code is qualified in its entirety by the Code of the Adviser, which is available upon request.

Malaga, its affiliates and its Covered Persons may invest in or trade the same securities that the Adviser recommends to the Fund. Such practices present a conflict where, because of the information an Adviser has, the Adviser its affiliates and its related persons are in a position to trade in a manner that could adversely affect the Funds (e.g., place their own trades before or after Fund(s)’ trades are executed in order to benefit from any price movements due to the Fund(s)’ trades). In addition to affecting the Adviser’s objectivity, these practices by Malaga, its affiliates and its related persons may also harm clients by adversely affecting the price at which the Fund(s)’ trades are executed. To address this conflict, Malaga requires Covered Persons to preclear all equity transactions in personal accounts with the Adviser, which may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its Funds.

Item 12. Brokerage Practices

Malaga seeks to obtain best execution by selecting broker-dealers based upon their ability to provide best execution for the Funds. The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. While the Adviser may engage in transactions with broker-dealers on an "execution only" basis, the Funds will generally be paying for research, brokerage or other services provided by a broker-dealer, which are included in the commission rate. The Adviser has adopted policies and procedures intended to seek best execution on an ongoing basis for securities transactions, based upon the aforementioned factors.

Malaga is generally authorized to make the following determinations, subject to each Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of their Investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

Soft Dollar Benefits

Malaga receives research or other products or services other than execution from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). The use of client brokerage commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to produce or pay for the products and services itself. This creates an incentive for the Adviser to select a broker-dealer based on its interest in receiving those products and services, rather than on clients' interest in receiving most favorable execution.

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The Adviser may cause the Funds to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs. Products and services obtained via soft dollar commissions will be used for the benefit of all Funds. In some cases, there may not be a direct proportion between the use of Funds' commissions and the amount of products and services acquired and utilized for the benefit of each Fund. Further, commission dollars of an affiliate, Malaga International, may be used to pay for eligible soft dollar products and services for such affiliate and the Funds; and such affiliate will also benefit from the soft dollars generated by the Funds, which may not be in equal proportion.

During the Adviser's last fiscal year, as a result of client brokerage commissions, Malaga and/or its affiliates acquired data services (including services providing real time exchange data, market data, company financial data and economic data), software used to transmit orders, research reports (including market research), certain financial publications, and services relating to execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between the Adviser and broker-dealers and other relevant parties such as custodians).

The Adviser may participate in "client commission arrangements" pursuant to which Malaga may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. The Adviser excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations. In some instances, Malaga obtains a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and clients.

Investment transactions for clients and the use of such commissions by the Adviser may be outside the safe harbor provided by Section 28(e) and applicable regulatory interpretations for one

or more of the following reasons: the type of investment, the market mechanism or the market intermediary compensation involved in the transaction or the types of services obtained with the commissions paid for the transaction. Even when investment transactions for clients are outside the Section 28(e) safe harbor, the commissions paid will be used for the acquisition of Section 28(e) types of research and brokerage.

Brokerage for Client Referrals

From time to time, Malaga may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a Fund managed by the Adviser or recommend or more Funds as an investment to prospective Investors. The Adviser may place portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will Malaga select a broker-dealer as a means of remuneration for recommending the Adviser or any Fund or other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs. As such, client referrals are not considered when making brokerage decisions.

Order Aggregation

The Adviser often purchases or sells the same security for clients, including accounts for affiliates managed by Malaga, contemporaneously and at or near the same time and using the same executing broker. It is the Adviser's practice, where possible, to aggregate orders for the purchase or sale of the same security submitted at or near the same time for execution using the same executing broker. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. In cases where trading or investment restrictions are placed on a Fund's account, the Adviser may be precluded from aggregating that Fund's transaction with others. In such a case, the Fund may pay a higher commission rate and/or receive less favorable prices than Funds who are able to participate in an aggregated order.

When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. The pro rata calculation will be affected by the relative size of the accounts. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to each Fund participating in the transaction. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Funds. In addition there may be a desire to employ more or less leverage for one or more of the Funds so this may also affect trade allocation. Partially filled orders will not automatically carry over to the next trading day for completion. The completion of such trade will be a portfolio management decision.

The Adviser or its Covered Persons may also participate in an aggregated order. Sometimes the Adviser places trades on an individual basis and does not attempt to group orders for multiple

Funds for the same security and type of trade in a single, combined order. Because in these situations the Adviser does not engage in the practice of aggregating orders, the Funds may not receive the potential benefits of aggregation, such as lower commission rates and uniform pricing. As a result, the Fund may pay a higher commission rate and receive less favorable prices than if the Adviser aggregated orders.

Cross Transactions

Malaga may effect cross transactions between the Funds, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two Funds for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar.

Malaga has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between Fund accounts are not permitted if they would constitute trades for which the Adviser or its affiliates are compensated as a broker-dealer unless client consent has been obtained based upon written disclosure to the Fund of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA, unless they have over \$100 million in assets.

Trade Errors

If it appears that a trade error has occurred, Malaga will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is designed to ensure that the Funds are treated fairly. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a Fund account incurs a trade error as a result of the Adviser's gross negligence, willful misconduct, or fraud, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the Fund incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the Fund.

Item 13. Review of Accounts

The Fund's portfolios and accounts will be regularly reviewed by the Adviser's portfolio managers to ensure overall compliance with stated investment guidelines and restrictions, as set forth within the Governing Fund Documents. The CEO has ultimate responsibility for all investment decisions.

Malaga provides each Investor with the following reports in accordance with the terms of the applicable Governing Fund Documents: audited annual financial statements and annual tax information necessary to complete any applicable tax returns.

Item 14. Client Referrals and Other Compensation

The Adviser receives certain research or other products or services from broker-dealers through “soft dollar” arrangements. These “soft dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser’s “soft dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

Malaga may periodically engage third party placement agents (i.e., solicitors) to introduce prospective Investors to the Funds. The fees and expenses of any third-party placement agents will be paid by the Funds, but will be reimbursed by Malaga by offsetting its Management Fees. At the present time, Malaga has not engaged any third party placement agents.

Item 15. Custody

Malaga has access to client accounts (i.e., the Funds) since it or an affiliate serves as the General Partner to the Funds structured as limited partnerships.

As permitted under the Custody Rule, the Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund’s fiscal year end.

Item 16. Investment Discretion

In accordance with the terms and conditions of the Governing Fund Documents, the Adviser generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Investors, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

Prior to assuming discretion in managing a prospective client’s assets, Malaga enters into an Agreement that sets forth the scope of its discretion.

As noted in Item 12 above, Malaga may effect cross transactions between different client accounts, except where prohibited by an agreement or applicable law.

Item 17. Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Malaga has adopted and implemented written policies and procedures governing the voting of client securities. To the extent the Adviser has been delegated proxy voting authority on behalf of the Fund, Malaga complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to securities, such proxies are voted in the best interests of the Funds. Generally the Funds are not permitted to direct proxy votes in a particular solicitation.

The Adviser has retained a third party proxy voting service to assist in the proxy voting process. Both Malaga's analysts and trader will be provided with voting service's recommendation for each proxy vote. Unless a determination is made to vote against the recommendation, the securities will be voted in accordance with the proxy service's recommendation. The CEO and/or a portfolio manager will have final approval of any instances when the Adviser determines that it will vote against the recommendations of the proxy voting service.

If Malaga detects a material conflict of interest in connection with a proxy solicitation, the Adviser will abide by the recommendation of the proxy voting service.

All proxies that Malaga receives will be treated in accordance with these policies and procedures. A copy of Malaga's written proxy voting policies and procedures, as well as a record of how Malaga has voted in the past, will be maintained and available for review upon request.

Item 18. Financial Information

This item does not apply to Malaga