

**Item 1**  
**Cover Page**

PART 2A OF FORM ADV: FIRM BROCHURE

**Chitral LLC**

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**This brochure provides information about the qualifications and business practices of Chitral LLC. If you have any questions about the contents of this brochure, please contact us at (212) 920-3800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**From time to time in this and other documents Chitral LLC may refer to itself as a “registered investment adviser” by virtue of its registration with the SEC. This title does not imply any level of training or skill.**

**Additional information about Chitral LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2**

### **Material Changes**

This amendment to the brochure, dated April 29, 2016, contains no material changes from Chitral LLC's previous brochure, which was filed on March 21, 2015.

### **Item 3**

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## **Item 4**

### **Advisory Business**

**A.** Chitral LLC (“Chitral”) is an investment adviser organized as a Delaware limited liability company that was formed in May 2005, and is based in New York, NY. Chitral III, LLC, Chitral IV, LLC, Chitral V, LLC and Chitral VI, LLC are also Delaware limited liability companies that are under common control with Chitral and rely upon Chitral’s registration as an investment adviser (each, an “Adviser” and such entities collectively, the “Advisers”). Lawrence A. Neubauer (the “Manager”) is the Manager and principal owner of each of the Advisers.

**B.** The Advisers provide discretionary investment advisory services to pooled investment vehicles (each a “Fund” and collectively, the “Funds”). Each Adviser serves as a general partner to a Fund. Each Fund was formed for the purpose of investing (either directly or indirectly through another of the Funds) in a single investment opportunity in private equity securities. The Funds’ investments take the form of co-investments directly or indirectly with certain clients of Quilvest Management, LLC (collectively with its relying adviser, Quilvest USA, Inc. (“Quilvest USA”) and their officers and employees engaged in providing investment advisory services, “Quilvest Management”). Quilvest Management, LLC is an investment adviser of which Mr. Neubauer is the managing partner, and each co-investment of the Funds with a Client of Quilvest Management is a “Co-Investment Deal”. Currently, the Funds are comprised entirely of pooled investment vehicles formed for the purpose of investing in Co-Investment Deals. Future Co-Investment Deals are governed by an agreement among the Manager, Quilvest USA and Quilvest and Partners S.A. (“Q&P”), an affiliate of Quilvest Management. Under the agreement, the Manager is permitted to co-invest (directly or through any entity or entities he may organize, including pooled investment vehicles) in one investment opportunity per calendar year that he sources in conjunction with his responsibilities with respect to Quilvest Management, subject to increase at the discretion of the Q&P chief executive officer (the “Q&P CEO”).

**C.** The Advisers provide discretionary investment advisory services to the Funds with respect to the Funds’ private equity investments. Each Adviser provides services to the Fund for which it serves as general partner in accordance with the limited partnership agreement of such Fund (each, a “Partnership Agreement”).

**D.** The Advisers do not participate in wrap fee programs.

**E.** As of December 31, 2015, the Advisers managed approximately \$54,512,662 in assets on a discretionary basis.

## **Item 5**

### **Fees and Compensation**

- A.** The Advisers receive a performance-based allocation in the form of a carried interest distribution (the “Carried Interest Distribution”). The terms of the Carried Interest Distribution may differ from Fund to Fund, are not negotiable and are set forth in each Fund’s Partnership Agreement. Each Adviser is entitled to receive the Carried Interest Distribution directly from the assets of the Fund for which it serves as general partner. The Carried Interest Distribution is typically between 10% and 20% of called or committed capital.
- B.** Carried Interest Distributions are deducted directly from the Funds’ assets as investments realize gains and not on a pre-determined schedule. The Advisers distribute Carried Interest Distributions in accordance with the terms of the applicable Partnership Agreement from the proceeds received by the applicable Fund, attributable to the disposition of an investment in a portfolio company and any dividends and interest income with respect to such investment.
- C.** The Funds will generally bear their own expenses. Expenses the Funds may incur include: investment expenses (e.g., interest expense, consulting and other professional fees relating to particular investments), legal expenses, audit and tax preparation expenses, organizational expenses, expenses relating to the offer and sale of interests in the Funds and extraordinary expenses. See Item 10.C of this brochure for a description of additional fees and distributions made to certain of the Advisers’ related persons in connection with Co-Investment Deals. The Funds do not incur brokerage and other transaction costs.
- D.** The Funds do not pay the Carried Interest Distribution in advance.
- E.** Neither the Advisers nor any of their supervised persons receive any compensation for the sale of securities or other investment products.

**Item 6**  
**Performance-Based Fees and Side-By-Side Management**

As outlined in Item 5 of this brochure, each Adviser is entitled to receive a Carried Interest Distribution. Such Carried Interest Distribution is performance-based.

## **Item 7**

### **Types of Clients**

As more fully described in Item 4 of this brochure, the Advisers provide discretionary investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended. The Advisers do not offer advisory services to the general public. Limited partners in the Funds are generally not required to make any specific minimum commitment. Limited partner interests in the Funds may be purchased only by investors that are accredited investors, as defined in Regulation D of the Securities Act of 1933, as amended.

## **Item 8**

### **Methods of Analysis, Investment Strategies and Risk of Loss**

**A.** The Advisers' investment strategy seeks to generate long-term capital appreciation by making investments in equity securities of privately held companies. Generally, the Funds acquire such securities with a view to hold them for the medium to long-term. The Manager seeks to leverage his experience, insights and resources across the global private equity industry to identify potential investments and acquire profitable businesses with demonstrable growth characteristics. The Funds each invest in a single investment opportunity, as more particularly described in each Fund's Partnership Agreement.

An investment in the Funds is speculative in nature and involves a high degree of risk, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Funds and for which the Funds do not represent a complete investment program. There can be no assurance that an investor in any Fund will receive a return of its capital. In addition, there can be no assurance that any Fund will be able to generate returns for investors or that returns will be commensurate with the risks of the Fund's investments. A Fund investment should only be made by persons that can afford a loss of their entire investment.

There can be no assurance that the investment advice provided by the Advisers to the Funds will be successful. Such investment advice is speculative and entails substantial risks, including risk of loss of the entire investment, a risk which the Funds and the underlying investors in the Funds should be prepared to bear.

**B.** There are significant risks associated with the Advisers' methods of analysis and investment strategies. Certain of those risks are summarized below. In addition, the subscription agreement for each Fund contains additional risks related to an investment in such Fund.

*Prior Investment Performance Not Indicative of Future Results.* There can be no assurance that the historical investment returns achieved by the Manager or Quilvest will be achieved by the Funds, and the Funds' performance may be materially different. Prior performance and track records should be considered with particular caution in light of the recent and ongoing volatility and turbulence in the U.S. and global economies.

*Dependence on the Advisers and the Manager.* The investors in the Funds have no right or power to participate in the management of the Funds. The investors in the Funds rely on the management expertise of the Advisers and the Manager in identifying, acquiring, administering and disposing of investments by the Funds. Criteria selected by the Advisers and the Manager for the selection and periodic assessment of the Funds' investments may not prove effective in producing the desired returns for the Funds. Moreover, if for any reason, the Advisers or the Manager cease to be involved in the management of the Funds, suitable replacements may be difficult to obtain, with the result that the performance of the Funds may be adversely affected.

*Illiquid Investments.* Portfolio companies in which the Funds invest are comparatively small companies which will most likely not have a readily available market for their securities, including the Funds' investments. The Funds typically will be dependent upon the portfolio company being sold, refinanced, reorganized or having a public offering in order to achieve liquidity for the Funds' investments.



*Availability and Adequacy of Information; Projections.* There is generally little or no publicly available information about privately-held companies. The financial and other data may be limited or less reliable than would typically be the case for a larger public company. There can be no assurance that the Advisers' due diligence efforts uncovered all material information about a portfolio company necessary to make a fully informed investment decision. Such investments involve a high degree of business and financial risk that can result in substantial losses.

In identifying portfolio companies and monitoring investments, the Advisers rely upon projections, forecasts, or estimates. Projections, forecasts, and estimates are forward-looking statements and are based upon certain assumptions. Actual events are difficult to predict, may be beyond the Funds' or a portfolio company's control, and may differ significantly from those assumed in generating projections. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results will not be materially lower than estimated. Projected operating results of a portfolio company in which the Funds invest normally will be based primarily on financial projections prepared by each portfolio company's management and subject to numerous factors outside the control of the Funds. Also, general economic and regulatory factors, which are not predictable, can have a material impact on the reliability of projections.

*Reliance on Portfolio Company Management.* The Funds do not expect to take control over the day-to-day operations of its portfolio companies. Even in cases where the Funds may be represented on a management board or have other management rights, the Funds do not expect to control the day-to-day operations of its portfolio companies. Therefore, the success or failure of many of the Funds' portfolio companies will depend to a significant extent on the financial and management talents and efforts of specific employees of such portfolio companies, whose death, disability or resignation could adversely affect the performance of the portfolio company.

*Leverage.* Certain of the Funds' investments include companies whose capital structures utilize leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Investments in portfolio companies with leveraged capital structures may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such portfolio company or its industry. Such portfolio companies may be subject to restrictive financial and operating covenants as a result of their use of leverage, which may impair these companies' ability to finance their future operations and capital needs. As a result such portfolio companies may have limited flexibility to respond to changing business and economic conditions and business opportunities, and their performance will depend in part on prevailing interest rates and/or other factors relating to their ability to meet their debt obligations. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money was not used. In addition, in the event a portfolio company does not perform as anticipated or incurs unanticipated liabilities, high leverage will magnify the adverse effect on the value of the equity of the portfolio company and could result in substantial diminution in or the total loss of an equity investment in the portfolio company.

*Co-Investments.* Each Fund was formed for the purpose of investing in Co-Investment Deals. Clients of Quilvest Management and other co-investors may have different interests than the Funds. Apart from clients of Quilvest Management, other co-investors typically hold a minority interest in the underlying investment of a Co-Investment Deal. The Funds' investments will be subject to typical risks in connection with third-party involvement, including the possibility that a third-party may have financial difficulties

resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take (or block) action in a manner contrary to the Funds' interests or investment objectives.

*Operating and Financial Risks of Portfolio Companies.* Companies in which the Funds invest could deteriorate as a result of a number of factors, including adverse business developments, changes in the competitive environment, economic downturns, unexpected litigation or adverse regulatory proceedings. As a result, companies which the Advisers expect to be stable may operate at a loss or have significant variations in operating results and may require substantial additional capital to support their operations or to maintain their competitive position, which may not be available on favorable terms, or at all. This may result in a weak financial condition, financial distress or bankruptcy.

**C.** There are significant risks inherent in investing in private equity securities. Certain of these risks are summarized below. In addition, the subscription agreement for each Fund contains additional risks related to an investment in such Fund.

*Availability of Investment Opportunities.* Identifying and structuring private equity investments is a highly competitive business and involves a high degree of uncertainty.

*Financial and Business Risk.* Fund investments in private equity will generally involve a significant degree of financial or business risk. The underlying portfolio companies of the Funds may face intense competition, changing business or economic conditions or other developments that may adversely affect their performance. Business risks may be more significant in smaller companies or those that are embarking on a build-up or operating turnaround strategy. If for any of these reasons a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of the applicable Fund's investment in such portfolio company could be significantly reduced or even eliminated.

*Follow-on Investments.* The portfolio companies in which the Funds have invested may require add-on investments either to meet unanticipated needs or to fully realize their growth potential. In such event a portfolio company may seek other sources of capital which could result in a dilution of a Fund's investment or, if other sources of capital are not available, the portfolio company may experience financial difficulties or slower growth than had been anticipated. As a result, a Fund may fail to realize anticipated returns on its investments.

*Medium to Long-Term Investments.* Fund investments in private equity will typically not be liquidated for a number of years after the initial investment. Factors such as overall economic conditions, the competitive environment and the availability of potential purchasers may shorten or lengthen a Fund's intended holding period for its particular investment. It is unlikely that a Fund will realize substantial capital gains during its early years.

*Non-U.S. Investments.* Certain of the Funds have made investments outside of the United States. Generally, investments in non-U.S. markets may have risks associated with political and regulatory changes, changing economic conditions, legal and tax regulations, foreign currency and exchange markets, changes in or differing accounting standards, lack of liquidity or volume in certain markets, reliance on local intermediaries and restrictions on the repatriation of capital and profits.

*Realization of Investments.* Fund investments are generally in private illiquid securities for which there is no public market and/or that are subject to restrictions on resale because they were acquired from the issuer of such securities in “private placement” transactions or because such restrictions are imposed as a condition of purchase. In some cases, the Funds may be prohibited from selling such securities for a period of time or may otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate. As a result, there is a significant risk that a Fund’s investment may be sold at a net sales price which is less than the acquisition costs paid on account of such investment, or a Fund will otherwise be unable to complete any exit strategy.

**Item 9**  
**Disciplinary Information**

In the past ten years, there have been no legal or disciplinary events involving either the Advisers or any of their management persons that are material to the Advisers' advisory business or to the integrity of the Advisers' management.

## **Item 10**

### **Other Financial Industry Activities and Affiliations**

- A.** Neither the Advisers nor any of their management persons are registered, or have an application pending to register, as broker-dealers or registered representatives of a broker-dealer.
- B.** Neither the Advisers nor any of their management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C.** In addition to his role with respect to the Advisers, the Manager is a control person of Quilvest Management for purposes of Form ADV and the managing partner of Quilvest Management, LLC. Quilvest Management is an investment adviser that provides investment advisory services to, among other clients, pooled investment vehicles. The Manager has been permitted to co-invest (indirectly through pooled investment vehicles he organized and which include other investors) with certain clients of Quilvest Management (such clients, the “Q&P Funds”) in Co-Investment Deals (each underlying investment of a particular Co-Investment Deal, a “Portfolio Company”). Currently, the Funds are comprised entirely of pooled investment vehicles formed for the purpose of investing in Co-Investment Deals. Future Co-Investment Deals are governed by an agreement among Quilvest USA, Q&P and the Manager. Under the agreement, subject to pre-approval by the Q&P CEO, the Manager is permitted to co-invest directly or indirectly in one investment opportunity per calendar year that he sources in conjunction with his responsibilities with respect to Quilvest Management, subject to increase at the discretion of the Q&P CEO. Historically, a separate Fund has been formed by the Manager for each Co-Investment Deal and is managed by the Manager separately from the scope of his responsibilities with respect to Quilvest Management. The proportion of the allocation of a Co-Investment Deal between a Fund and the applicable Q&P Fund is not pre-determined, but historically has been generally consistent from deal to deal.

#### *Investment Exits and Transactions Involving Co-Investment Deals*

Certain potential conflicts of interest may arise from the exit of equity interests in a Portfolio Company by a Fund or a Q&P Fund, including the transfer of equity interests between a Fund and the applicable Q&P Fund. The negotiated terms of the agreements with respect to current Co-Investment Deals generally provide that at any time on or after a pre-negotiated date, each Fund shall have the right to offer the applicable Q&P Fund the right to (i) purchase the Fund’s equity in a particular Portfolio Company; or (ii) pursue a sale of such Portfolio Company. The terms of the negotiated agreements further provide that at any time on or after a pre-negotiated date further in the future, either the Fund or the applicable Q&P Fund may, by written notice to the other and the Portfolio Company, (i) cause the engagement of a mutually agreed upon third-party for the purpose of causing a sale of the Portfolio Company; or (ii) cause the engagement of an auction process intended to result in a sale of the Portfolio Company.

In regards to future Co-Investment Deals, negotiated terms provide that if Q&P determines to exit its investment in a Portfolio Company and Quilvest AM S.A. (“Quilvest AM”), an affiliate of Quilvest USA that acts as the alternative investment fund manager of certain pooled investment vehicles as per European law, approves such exit (or, in certain circumstances, the Q&P CEO), Q&P shall provide the Manager with written notice of the particular Q&P Fund’s desire to sell a Portfolio Company, and offer the Manager (or

a designee of the Manager) the right to purchase the Q&P Fund's equity in the Portfolio Company based upon a valuation of a third party appraiser or investment bank. Should the Manager decline Quilvest Management's offer, Quilvest Management may pursue a sale of the Q&P Fund's interest in the Portfolio Company, subject to additional restrictions as set forth in the applicable negotiated agreements. Under certain circumstances, Quilvest Management may be obligated to re-offer the sale to the Manager at a lower price and/or payout terms.

#### *Fees Paid to the Manager*

The Manager is entitled to receive a portion of the Carried Interest Distribution (as defined in Item 5.A). Such distributions are separate from incentive-based distributions that the Manager receives from the Q&P Funds in conjunction with the Q&P Funds' ownership interests in Co-Investment Deals. The Manager will also be entitled to collect one-third of any transaction, monitoring and similar fees on or arising from future Co-Investment Deals as specified in negotiated agreements governing Co-Investment Deals.

The separate incentive-based distributions received by the Manager from the Funds and the Q&P Funds may create a conflict of interest, as the Manager could be perceived as having an incentive, in the context of a Co-Investment Deal, to seek a particular allocation of such Co-Investment Deal between a Fund and the applicable Q&P Fund based in part on the incentive-based distributions the Manager will receive. In light of past experience between Quilvest Management and the Manager, including the fact that allocations between the Funds and Q&P Funds in previous Co-Investment Deals have been substantially the same in each such Co-Investment Deal, the Advisers believe the risk of this conflict is mitigated.

#### *Management and Consent Rights in Co-Investment Deals*

Pursuant to negotiated agreements, the Manager, and in certain circumstances, a Quilvest affiliate, are entitled to certain rights regarding the management of Portfolio Companies. Among other terms, such agreements require the consent of the Manager prior to Q&P and/or Quilvest Management making certain decisions with respect to a particular Portfolio Company. The Manager has a fiduciary duty to both the Funds and the Q&P Funds, whose interests are generally aligned through the mutual ownership of a particular Portfolio Company. Likewise, in certain circumstances, such agreements require the consent of a Quilvest affiliate prior to making certain decisions with respect to a particular Portfolio Company. From time to time, each of Quilvest Management and the Manager, acting in accordance with his responsibilities with respect to the Advisers, has the right to appoint individuals to the board of directors or similar governing body of a particular Portfolio Company. Negotiated agreements with respect to future Co-Investment Deals provide that in certain circumstances, Quilvest Management appointees to the applicable Portfolio Company board (or similar governing body) are required to vote consistent with the Manager's separate appointees to such board or governing body and vice versa. Such voting requirements could create a potential conflict of interest in the event that the interests of Quilvest Management and the Manager were not aligned. In making recommendations with respect to such Portfolio Companies, the Advisers believe that their interests are generally aligned with Quilvest Management's interests through the Funds' and the Q&P Funds' mutual ownership of the Portfolio Companies.

**D.** The Advisers do not recommend or select other investment advisers for any Fund.

## **Item 11**

### **Code of Ethics, Participation or Interests in Client Transactions and Personal Trading**

**A.** The Advisers have adopted a single Code of Ethics (the “Code”), which describes the Advisers’ fiduciary duties and responsibilities to the Funds, and requires the Manager to act in the best interests of the Funds to the exclusion of contrary interests, to act in good faith and in an ethical manner, to avoid conflicts of interest with the Funds to the extent reasonably possible, and to identify and manage conflicts of interest to the extent that they arise. The Code sets forth formal policies and procedures with respect to the Manager’s personal securities trading activities, and includes policies and procedures to prevent the misuse and disclosure of material nonpublic information as well as policies and procedures addressing conflicts of interest; the Manager’s outside activities; gifts and business entertainment; and political contributions. The applicable Adviser will provide a complete copy of the Code to any investor upon request.

**B.** From time to time, consistent with a Fund’s Partnership Agreement and subject to satisfaction of the policies and procedures set forth in the Code, the Advisers’ compliance manual (the “Compliance Manual”) and as described in Item 10.C, an Adviser may recommend that a Fund acquire or sell securities in which a related person of such Adviser has a pre-existing direct or indirect interest. A potential conflict of interest could arise in that the interested related person of the Adviser could benefit from such a purchase or sale of the applicable security by a Fund. However, the Code and the Compliance Manual, as well as the negotiated agreements among the Manager, Q&P and Quilvest USA, are designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions. See Item 10.C for additional details.

**C.** From time to time, subject to satisfaction of the policies and procedures set forth in the Code, the Compliance Manual, a Fund’s Partnership Agreement and as described in Item 10.C, an Adviser or a related person of an Adviser may invest in the same securities that the Adviser or a related person of the Adviser recommends to a Fund. A potential conflict of interest could arise in that an Adviser or an interested related person of an Adviser could benefit from a Fund’s ownership of, or subsequent sale of, the applicable security. However, the Advisers’ Code and the Compliance Manual, as well as the negotiated agreements among the Manager, Q&P and Quilvest USA, are designed to identify and manage conflicts of interest to the extent they arise in connection with the personal securities transactions and other investment activities of related persons of the Advisers. See Item 10.C for additional details.

**D.** From time to time, in appropriate circumstances and subject to satisfaction of the policies and procedures set forth in the Code, the Compliance Manual, and negotiated agreements among the Manager, Q&P and Quilvest USA, an Adviser or a related person of an Adviser may recommend securities to a Fund at or about the same time such Adviser or a related person buys or sells the same securities for their own account. The Advisers’ Code and the Compliance Manual, along with the negotiated agreements among the Manager, Q&P and Quilvest USA are designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions.

## **Item 12**

### **Brokerage Practices**

Due to the nature of the Advisers' investment advice with respect to private investments and relationships with the Funds, the Advisers do not recommend or select broker-dealers for transactions in the Funds. As such, this item is not applicable to the Advisers' business.



### **Item 13**

#### **Review of Accounts**

- A.** The Manager reviews Fund investments on an ongoing basis. The review and monitoring of the Funds' investments occurs on a continuous basis and includes analyzing the performance of the Portfolio Companies in which the Funds have invested. The investments made by the Funds are private, illiquid and medium to long-term in nature. Accordingly, the Fund review process is not directed toward a short-term decision to dispose of securities. However, the Manager closely monitors Portfolio Companies in which the Funds invest and generally maintains an ongoing oversight position in such companies.
- B.** The Advisers do not utilize any specific criteria to trigger a review of Fund investments.
- C.** Audited financial statements will be provided to investors in each Fund within the time period required by SEC rules. Investors in each Fund also have certain information rights as outlined in each Fund's Partnership Agreement. In addition, subject to limitations set forth in each Partnership Agreement, at the end of each fiscal year, each Adviser delivers, to the investors of the Fund which such Adviser serves as general partner, annual financial statements of the applicable Portfolio Company.

**Item 14**  
**Client Referrals and Other Compensation**

- A.** The Advisers do not receive an economic benefit from anyone other than the Funds for providing investment advice or other advisory services to the Funds.
- B.** Neither the Advisers nor any related person of any Adviser directly or indirectly compensates any person for investor referrals.

## **Item 15**

### **Custody**

The Advisers have custody of the Funds' assets. Limited partners of the Funds will not receive account statements from a custodian. Instead, the Advisers intend on distributing audited financial statements to the limited partners of each Fund within the time period required by SEC rules.

## **Item 16**

### **Investment Discretion**

The Advisers accept discretionary authority to manage investments on behalf of the Funds through the Partnership Agreements with each Fund, which set forth certain limitations. Each Adviser has the discretionary authority to make investment decisions deemed suitable for the particular Fund of which it serves as general partner.

## **Item 17**

### **Voting Client Securities**

Because the securities held by the Funds are equity interests in privately-held companies, votes are usually cast directly at a meeting or by written consent and not by proxy. It is the Advisers' policy to vote any securities or proxy in the best interest of the applicable Fund, taking into consideration all relevant factors, including without limitation, acting in a manner that the applicable Adviser believes will maximize the economic benefits to the applicable Fund and promote sound corporate governance by the Portfolio Company.

In situations where an Adviser is required to vote the proxy for a company in which related persons of the Adviser serve on the board of directors, the Advisers have determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on a Fund's investment in such company. Certain arrangements with respect to voting are described in more detail in Item 10.C of this brochure.

The Advisers' proxy voting policies and procedures are designed to comply with the requirements of Rule 206(4)-6 under the Investment Advisers Act of 1940. Such policies and procedures are reviewed periodically and may be amended from time to time. Upon written request by any investor, a copy of the full policy and procedures on proxy voting will be provided as well as a proxy voting record for any specific proxies voted on behalf of a Fund in which that investor purchased securities.

**Item 18**  
**Financial Information**

- A.** The Advisers do not require or solicit prepayment of more than \$1,200 in fees from any Fund six months or more in advance.
- B.** The Advisers do not believe any financial conditions currently exist that are reasonably likely to impair their abilities to meet contractual commitments to the Funds.
- C.** The Advisers have not been the subject of a bankruptcy petition at any time during the past ten years.