



**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

MOERUS CAPITAL MANAGEMENT LLC

April 12, 2016

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Moerus Capital Management LLC (“Moerus Capital”, the “Firm”, or the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (212) 461-4088. 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.

A copy of this Brochure and additional information about Moerus are also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2

MATERIAL CHANGES

Moerus is filing this initial Form ADV Part 2A under Rule 203A-2(c) in anticipation of being eligible to register with the SEC within 120 days.

In the future, this Item 2 will only discuss specific material changes that have been made since the last filing and will provide a summary of those changes, which will be reflected below.

**ITEM 3
TABLE OF CONTENTS**

ITEM 1 COVER PAGE	i
ITEM 2 MATERIAL CHANGES	i
ITEM 3 TABLE OF CONTENTS.....	ii
ITEM 4 ADVISORY BUSINESS	1
A. <u>General Description of Advisory Firm.</u>	1
B. <u>Description of Advisory Services.</u>	1
C. <u>Availability of Customized Services for Individual Clients.</u>	2
D. <u>Wrap Fee Programs.</u>	2
E. <u>Assets Under Management.</u>	2
ITEM 5 FEES AND COMPENSATION	3
A. <u>Advisory Fees and Compensation.</u>	3
B. <u>Payment of Fees.</u>	4
C. <u>Additional Fees and Expenses.</u>	4
D. <u>Prepayment of Fees.</u>	4
E. <u>Additional Compensation and Conflicts of Interest.</u>	5
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
ITEM 7 TYPES OF CLIENTS.....	7
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	8
A. <u>Methods of Analysis and Investment Strategies.</u>	8
ITEM 9 DISCIPLINARY INFORMATION.....	16
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	17
A. <u>Broker-Dealer Registration Status.</u>	17
B. <u>Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.</u>	17
C. <u>Material Relationships or Arrangements with Industry Participants.</u>	17
D. <u>Material Conflicts of Interest Relating to Other Investment Advisers.</u>	17
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	18
A. <u>Code of Ethics.</u>	18

B.	<u>Securities in which Moerus Capital or a Related Person has a Material Financial Interest.</u>	18
C.	<u>Investing in Securities that Moerus Capital or a Related Person Recommends to Clients.</u>	18
ITEM 12 BROKERAGE PRACTICES		20
A.	<u>Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.</u>	20
B.	<u>Trade Allocation and Aggregation Policies and Procedures.</u>	22
ITEM 13 REVIEW OF ACCOUNTS		23
A.	<u>Frequency and Nature of Review of Client Accounts or Financial Plans.</u>	23
B.	<u>Factors Prompting Review of Client Accounts Other than on a Periodic Review.</u>	23
C.	<u>Content and Frequency of Account Reports to Clients.</u>	23
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION		24
A.	<u>Economic Benefits for Providing Services to Clients.</u>	24
B.	<u>Compensation to Non-Supervised Persons for Client Referrals.</u>	24
ITEM 15 CUSTODY		25
ITEM 16 INVESTMENT DISCRETION		26
ITEM 17 VOTING CLIENT SECURITIES		28
ITEM 18 FINANCIAL INFORMATION		29
ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS		30

ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm.

Moerus Capital Management LLC (the Advisor, or Moerus), a Delaware limited liability Company was formed in February 2015. Moerus began operations in September 2015 and is located in New York City. Amit Wadhwaney, Founding Partner and Portfolio Manager, is the principal owner of the Adviser; Michael Campagna and John Mauro are both minority shareholders in the Advisor.

B. Description of Advisory Services.

1. *Advisory Services.*

Moerus serves as the investment adviser with discretionary trading authority to Moerus Global Value Fund LP (the "Partnership"), a Delaware limited partnership. Subject to the terms described below, the Partnership offers and sells its interests in private transactions solely to accredited investors, qualified Clients, qualified purchasers and certain knowledgeable employees of Moerus and its affiliates. The general partner of the Partnership is Moerus Capital LLC, a Delaware limited liability company (the "General Partner"). Amit Wadhwaney is the managing member of the General Partner. The Adviser will provide investment Advisory services on a discretionary basis to private pooled investment vehicles, mutual funds and separately managed accounts for institutions ("Clients"). As of the date of this Brochure, Moerus does not have any Clients other than the Partnership.

2. *Investment Strategies and Types of Investments.*

The Adviser's investment advisory services generally aim to achieve long-term capital appreciation by investing in predominantly well financed companies that are trading at substantial discounts to their intrinsic value. While it is anticipated that the Adviser will invest primarily in stocks, bonds, foreign currencies, forward contracts, futures and options, the Adviser has broad and flexible investment authority. These investments will be identified and selected by applying a fundamental, opportunistic, and bottom-up value investing methodology. This process will normally result in a concentrated portfolio of high conviction core positions.

The Adviser's investment program is speculative and entails substantial risks. There can be no assurance that the Adviser's investment objective of each Client will be achieved or that investment results might not vary substantially on a monthly, quarterly or annual basis. A more detailed description of the investment strategies pursued and types of investments made by Moerus Capital is provided in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss).

C. Availability of Customized Services for Individual Clients.

As of the date of this Brochure, Moerus has a single Client, the Partnership. Moerus' investment decisions and advice are subject to the Partnership's investment objectives and guidelines, as set forth in the Partnership's confidential offering document and/or constituent documents, which may impose restrictions on investing in certain securities or types of securities.

D. Wrap Fee Programs.

Moerus does not participate in wrap fee programs.

E. Assets Under Management.

As of December 31, 2015, Moerus Capital total regulatory assets under management were approximately \$2,067,000. All such assets were managed on a discretionary basis.

ITEM 5

FEES AND COMPENSATION

A. Advisory Fees and Compensation.

As of the date of this Brochure Moerus has a single Client, the Partnership. The advisory fees applicable to the Partnership are set forth in detail the Partnership's confidential offering memorandum and/or constituent documents. A brief summary of such fees is provided below.

The Partnership currently offers two series of limited partnership interests: Series A limited partnership interests (the "Series A Interests") and Series B limited partnership interests (the "Series B Interests", and collectively with the Series A Interests, the "Interests"). The only distinctions between the Series A Interests and the Series B Interests is that they are subject to different Management Fee (as defined below) and Incentive Allocation (as defined below) rates.

The Partnership pays a quarterly management fee calculated at an annual rate of 0.95% of each Limited Partner's capital account attributable to Series A Interests (the "Management Fee"). No Management Fee is charged to a Limited Partner's capital account attributable to Series B Interests. The Management Fee is paid quarterly in advance, based on the value of each Limited Partner's capital account, as of the first "Business Day" of each calendar quarter. The Management Fee will be adjusted for contributions and withdrawals made during the quarter.

At the end of each fiscal year, the General Partner will receive an annual incentive allocation equal to 20% of the net profits attributable to Series B Interests, if any, subject to a loss carryforward provision (the "Incentive Allocation"). Notwithstanding the foregoing, the Partnership will not charge an Incentive Allocation until the end of the Partnership's first fiscal period (i.e., December 31, 2016), with the Incentive Allocation being charged annually thereafter. No Incentive Allocation will be made with respect to the net profits attributable to Series A Interests, if any.

The Adviser, in its sole discretion, may, in effect, waive or reduce the Management Fee for investors that are members, employees or affiliates of the General Partner or the Adviser, relatives of such persons and for certain large or strategic investors. The Management Fee is paid quarterly in advance, based on the value of each Limited Partner's capital account, as of the first "Business Day" of each calendar quarter. The Management Fee will be adjusted for contributions and withdrawals made during the quarter.

Except with respect to "new issues," the net profit or net loss of the Adviser (including realized and unrealized gains and losses) will be allocated to each Limited Partner and the General Partner in accordance with the ratio of their respective capital account balances.

The General Partner may waive or modify the Incentive Allocation for Limited Partners that are members, employees or affiliates of the General Partner or the Adviser, relatives of such persons, and for certain large or strategic investors.

B. Payment of Fees.

Fees and compensation paid to Moerus or the General Partner by the Partnership are generally deducted from the assets of such Clients. As discussed above, Management Fees are generally deducted on a quarterly basis.

C. Additional Fees and Expenses.

The Adviser renders its services to the Partnership at its own expense and will be responsible for its overhead expenses including: office rent; furniture and fixtures; stationery; secretarial/internal administrative services; salaries and bonuses; entertainment expenses; employee insurance and payroll taxes.

All other expenses are paid by the Partnership and shall include: (i) Partnership legal, compliance, Administrator, audit and accounting expenses (including third party accounting services); (ii) organizational expenses (expenses under (i) and (ii) shall be referred to as "Capped Expenses"); (iii) risk management expenses; (iv) Partnership-related insurance costs (including D&O and E&O insurance for the Adviser and the General Partner and outside Directorship liability); (v) research fees and expenses; (vi) investment expenses such as commissions, (vii) interest on margin accounts and indebtedness; (viii) borrowing charges on securities sold short; (ix) custodial fees; (x) bank service fees; and (xi) any other expenses related to the purchase, sale or transmittal of Partnership assets. Notwithstanding the foregoing, annual Capped Expenses in excess of 45 basis points of the Partnership's net assets will be borne by the Adviser.

The annual Capped Expenses will be calculated on a monthly basis and any expenses in excess of 45 basis points will be reimbursed to the Partnership by the Adviser quarterly in arrears. The calculation of annual Capped Expenses shall be done on a series by series basis, and any expenses that are applicable only to a certain series of Interests shall be borne exclusively by the Limited Partners holding that series of Interests.

Organizational expenses will be paid by the Partnership and, for net asset value purposes, may be amortized over a period of up to 60 months from the date the Partnership commenced operations.

The investors in the Partnership also bear the brokerage and transaction costs incurred by the Partnership in respect of their investment in the Partnership. See Item 12 (Brokerage Practices).

D. Prepayment of Fees.

The Partnership pays Moerus the Management Fee quarterly in advance based on the Partnership's value. The Management Fee is pro-rated for any partial period and adjusted for deposits and withdrawals.

E. Additional Compensation and Conflicts of Interest.

Neither Moerus nor its supervised persons (i.e., its officers, directors or employees) accept compensation for the sale of securities or other investment products to the Partnership.

ITEM 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5 above, the General Partner may receive performance-based compensation, which constitutes an allocation of net profits (including unrealized gains) allocated to the Partnership. In addition, the Adviser will be entitled to be paid performance-based compensation from Clients, which will constitute a fee on a share of net profits (including unrealized gains) allocated to such Clients. Performance-based compensation may vary with respect to Clients, which may create an incentive to favor Clients that pay higher performance-based compensation in the allocation of investment opportunities. Performance-based compensation to be received by the Adviser and the General Partner, as applicable, will be calculated on the basis of net profits, including unrealized gains that may never materialize.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple Client accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Adviser will review investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts will also be regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata based on asset size, exposure levels, tax consequences and stage of capital deployment. The procedures require that, to the extent orders are aggregated, the Client orders are price-averaged. Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts. These areas will be monitored by the Adviser's Chief Compliance Officer.

Please see "Conflicts of Interest Created by Contemporaneous Trading" in Item 11 and "Trade Allocation and Aggregation Policies and Procedures" in Item 12.

ITEM 7

TYPES OF CLIENTS

As of the date of this Brochure, Moerus' only Client is the Partnership (i.e., there are presently no direct Advisory Clients other than the Partnership). Investors in the Partnership may include funds of hedge funds, family offices, endowments, charitable foundations, pension plans, investment companies, sovereign entities, other institutional investors, trusts and high net worth individuals. Investors in the Partnership must meet certain suitability requirements as set forth in the Partnership's confidential offering memorandum. Generally, the minimum initial capital contribution that an investor may make to the Partnership is \$1,000,000, although that amount may be waived the Partnership's General Partner.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

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

The Adviser utilizes a fundamental, bottom-up approach that seeks to purchase securities that are trading at large discounts to its conservative estimate of intrinsic value. The portfolio is unconstrained by geographic, industry, or index-related considerations, resulting in a portfolio that is built from the bottom up and is based on the absolute return opportunities currently available, regardless of whether these companies are contained within an index or not. The Adviser believes that the discipline of investing in securities trading at deep discounts to conservatively estimated net asset values, particularly with a focus on well-financed businesses, also provides investors with mitigated downside over the long-term.

The Adviser aims to implement its strategy in the following ways:

A focus on well-capitalized companies. The Adviser's investments will be predominantly focused on well-capitalized companies. The Adviser believes that companies with well-capitalized balance sheets have an enhanced ability to survive difficult periods and thrive over the long-term, providing Clients the opportunity to achieve higher valuations and the compounding of value over the long term. The Adviser seeks to avoid companies that have experienced, or are (in our view) at a heightened risk of experiencing permanent impairments of capital.

Opportunistic mandate. The Adviser has significant flexibility in terms of where and how it can invest – including by geography or industry as well as by equity security or debt instrument. The Adviser will tend to invest in less-followed holdings, such as mid- sized, smaller-capitalized, lesser known or unpopular securities. The Adviser also has the ability to invest across the capital structure and in alternative asset classes (such as distressed debt) and special situations, allowing us to take advantage of opportunities that are unavailable to equity-only funds.

Bottom-up portfolio construction. The Adviser is benchmark agnostic and will build portfolios completely from the bottom up, not based on the exposures of an index. Because of this, a portfolio's overlap with indices will tend to be very low and the portfolio's country and sector exposures tend to be very differentiated from the index and from competitors. Historically, this has led to a portfolio that has very unique characteristics, resulting in significant diversification benefits within the context of a Client's overall portfolio.

Flexibility to invest when opportunities are most compelling. The Adviser may hold sizeable amounts of cash. The Adviser believes that holding cash at times when underlying valuations are elevated provides the Adviser with the ability to act quickly when market sentiment swings to the other extreme and short-term market disruptions provide compelling opportunities from panicked sellers.

Concentrated portfolio. Generally, accounts will have a concentrated portfolio (typically consisting of 15-30 core positions), which allows the Adviser to focus capital on the Adviser's highest conviction ideas and may result in the portfolio and performance differing significantly from most indices. The Adviser is not afraid of being a large shareholder of a company where it sees significant upside, and have the ability to engage with management teams in select situations.

Long-term investment horizon. The Adviser is a patient, long-term investor. It seeks to take advantage of significant stock price declines due to poor near-term business results, focusing instead on the long-term intrinsic value of the business and its underlying assets. The Adviser will not generally invest to take advantage of short-term earnings fluctuations, but rather will focus on investing in situations where there are significant value mismatches.

B. Material, Significant or Unusual Risks Relating to Investment Strategies and Risks Associated with Particular Types of Securities.

Moerus' investment program is speculative and may entail substantial risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that our investment objectives will be achieved. In fact, certain investment practices described above can, in some circumstances, increase the risk profile of the Partnership's investment portfolios. The Partnerships activities could result in substantial losses (including the complete loss of all capital) under certain circumstances. The material risks presented by the strategies and financial assets pursued by Moerus are set forth below. Additional information is contained in the confidential offering memorandum of the Partnership. This Brochure does not purport to contain a complete disclosure of all risks that may be relevant to prospective investors in the Partnership. These risk factors include only those risks that Moerus believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by Moerus Capital.

Investment Strategy and Investment Risks.

Nature of Investments

The Adviser has broad discretion in making investments for accounts. Investments will generally consist of equities, bonds, futures, forwards, currencies and options and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Adviser's activities and the

value of its investments. In addition, the value of the accounts portfolio may fluctuate as the general level of interest rates fluctuates.

Equity-Related Instruments in General

The Adviser may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Interest Rate Risk

An account may be subject to interest rate risk. Generally, the value of debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

Currency Risks

The investments 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. From time to time, the Adviser may try to hedge these risks by investing in currencies and options thereon, forward 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. The Adviser may also invest in currencies for speculative purposes.

Distressed Securities

The Adviser may invest in "distressed" securities, claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties. Investments may at times include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, limited partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns to an account, but also involve a substantial degree of risk. Portfolios may lose a substantial portion or all of its investment in a distressed environment or may be required to accept cash or securities with a value less than the portfolios investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed securities,

litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses. Moreover, to the extent that account invests in distressed sovereign debt obligations, it will be subject to additional risks and considerations not present in private distressed securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which may be affected by world events, changes in U.S. foreign policy and other factors outside of the control of the Adviser. The market for distressed securities and instruments is generally thinner and less active than other markets, which can adversely affect the prices at which distressed securities can be sold.

Debt Securities

The Adviser may take positions in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Adviser may take positions in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Adviser may invest in securities which are moral obligations of issuers or subject to appropriations. Accounts will therefore be subject to credit and liquidity risks.

Emerging Markets Risk

At different times, the Adviser expects to invest a significant portion of Clients assets in securities and instruments that are traded in developing or emerging markets or that provide exposure to such securities or markets. These investments can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments. For example, developing and emerging markets may be subject to (i) greater market volatility, (ii) lower trading volume and liquidity, (iii) greater social, political and economic uncertainty, (iv) governmental controls on foreign investments and limitations on repatriation of invested capital, (v) lower disclosure, corporate governance, auditing and financial reporting standards, (vi) fewer protections of property rights, (vii) restrictions on the transfer of securities or currency, and (viii) settlement and trading practices that differ from U.S. markets. Each of these factors may impact the ability of the Adviser to buy, sell or otherwise transfer securities, adversely affect the trading market and price for securities it owns, and cause a Clients portfolio to decline in value.

China Risk

The Adviser may make significant investments in or related to China, and therefore the Adviser may be susceptible to adverse market, political, regulatory, and geographic events affecting China. The Chinese economy is generally considered an emerging market and can be significantly affected by economic and political conditions and policy in China and surrounding Asian countries. In addition, the Chinese economy is export-driven and highly reliant on trade. A downturn in the economies of China's primary trading partners could slow or eliminate the growth of the Chinese economy and adversely impact Clients investments. The Chinese government strictly regulates the payment of foreign currency denominated obligations and sets monetary policy, and may introduce new laws and regulations that have an adverse effect on a Client's portfolio. Although China has begun the process of privatizing certain sectors of its economy, privatized entities may lose money and/or be re-nationalized. Accordingly, these

investments involve a risk of total loss. In the Chinese securities markets, a small number of issuers may represent a large portion of the entire market. The Chinese securities markets are characterized by relatively frequent trading halts and low trading volume, resulting in substantially less liquidity and greater price volatility.

Indian-Related Investment Risks

The Adviser intends to evaluate opportunities in India and in certain Indian companies. There can be no assurance that the Indian companies will achieve profitable operations. The performance of the Indian companies and the value of interests in the Indian companies may be adversely affected by numerous factors, including, for example, (i) business, economic, and political conditions throughout India and the world; (ii) the supply of and demand for the goods and services produced, provided, or sold by Indian companies; (iii) changes and advances in technology that may, among other things, render goods and services sold by the Indian companies obsolete; and (iv) actual and potential competition from other companies. Certain Indian companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Accounting, financial and other reporting standards in India are not equivalent to those in more developed countries. Differences may arise in areas such as valuation of properties and other assets, accounting for depreciation, deferred taxation, inventory obsolescence, contingent liabilities and foreign exchange transactions. Accordingly, less information may be available to investors. SEBI, the principal regulator of the Indian securities market, received statutory authority in 1992 to oversee and supervise the Indian securities markets. Accordingly the securities laws and regulations in India are continuously evolving, and the ability of SEBI to promulgate and enforce rules regulating market practices is uncertain.

India's political, social and economic stability is commensurate with its developing status. Certain developments beyond the control of the Adviser, such as the possibility of political changes, government regulation, social instability, diplomatic disputes, or other similar developments, could adversely affect these investments.

India is a country comprised of diverse religious and ethnic groups. It is the world's most populous democracy and it has a well-developed and stable political system. Ethnic issues and border disputes have, however, given rise to ongoing tension in the relations between India and Pakistan, particularly over the region of Kashmir. In addition, cross-border terrorism could weaken regional stability in South Asia, thereby hurting investor sentiment.

India derives a meaningful portion of its GDP from agriculture. As a result, severe monsoons or drought conditions could hurt India's agricultural production and dampen momentum in some sectors of the Indian economy, which could adversely effect on performance.

Derivatives

To the extent that the Adviser invests in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Adviser may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in

exchange- traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of Clients, and hence the Clients should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

Options

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Use of Leverage

While the Adviser does not currently expect to utilize leverage, from time to time, and as noted above, at times the Partnership may utilize leverage. This results in the Partnership controlling substantially more assets than the Partnership has equity. Leverage increases the Partnership's returns if the Partnership earns a greater return on investments purchased with borrowed funds than the Partnership's cost of borrowing such funds. However, the use of leverage exposes the Partnership to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Partnership 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 Partnership's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Partnership's assets, the Partnership might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Adviser may find it difficult or impossible to obtain leverage for the Partnership. In such event, the Partnership could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Adviser being forced to unwind positions quickly and at prices below what the Adviser deems to be fair value for such positions.

Futures Contracts

The use of futures is a specialized activity that involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no

guarantee that their use will increase the Partnership's return or not cause the Partnership to sustain large losses. While the use of these instruments by the Partnership may reduce certain risks associated with portfolio positions, these techniques themselves entail certain other risks. The Partnership could experience losses if the values of its futures positions were poorly correlated with its other investments, or if it could not close out its positions because of an illiquid market. In addition, the Partnership will incur transaction costs, including trading commissions, in connection with its futures transactions and these transactions could significantly increase the Partnership's investment turnover rate. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the Partnership may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the Partnership to substantial losses.

U.S. Government Securities

The Partnership may invest in U.S. Government securities. Generally, these securities include U.S. Treasury obligations and obligations issued or guaranteed by U.S. Government agencies, instrumentalities or sponsored enterprises. U.S. Government securities also include Treasury receipts and other stripped U.S. Government securities, where the interest and principal components of stripped U.S. Government securities are traded independently. These securities are subject to market and interest rate risk. The Partnership may also invest in zero coupon U.S. Treasury securities and in zero coupon securities issued by financial institutions, which represent a proportionate interest in underlying U.S. Treasury securities. A zero coupon security pays no interest to its holder during its life, and its value consists of the difference between its face value at maturity and its cost. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

Short Sales

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Partnership's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Cyber Security Breaches and Identity Theft

The Adviser's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to

function properly, the Adviser and/or the Partnership may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Adviser's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Small to Medium Capitalization Companies

The Partnership may, on occasion, invest in the stocks of companies with small- to medium-sized market capitalizations. While the Adviser believes these investments often provide significant potential for appreciation, investments in smaller-capitalization stocks may involve higher risks than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Hedging Transactions

The Partnership may utilize a variety of financial instruments such as derivatives, options, swaps, caps and floors, futures and forward contracts for both risk management and general investment and speculation purposes. With respect to the Adviser's risk management and hedging transactions, there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while the Partnership 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 Partnership than if it did not engage in any such hedging transactions. In addition, the Partnership may choose not to enter into hedging transactions with respect to some or all of its positions.

Non-U.S. Securities

The Partnership intends to invest in foreign securities. Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options, futures and options on futures on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Moerus' Advisory business or the integrity of Moerus' management.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

Neither Moerus nor any of its management persons is registered or has an application pending to register with the SEC as a broker-dealer or a representative of a broker-dealer.

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

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

C. Material Relationships or Arrangements with Industry Participants.

Moerus serves as the investment manager of the Partnership. Moerus has material business relationships with the General Partner of the Partnership.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

Moerus does not recommend or select other investment advisers for its Clients.

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

A. Code of Ethics.

Moerus has implemented and maintains a formal Code of Ethics (the “Code”) that incorporates principles that all employees are obligated to uphold. These principles are designed not only to help Moerus fulfill its fiduciary obligations, but also to instill in employees Moerus’ commitment to honesty, integrity and professionalism. The Code incorporates the following general principles, among others, that all employees are expected to uphold:

- employees must at all times place the interests of Clients first;
- employees must conduct all personal securities transactions in a manner consistent with the Code and seek to avoid both conflicts of interest and the appearance of any conflicts of interest; and
- employees may not take inappropriate advantage of their positions.

The Code includes, among other things, provisions relating to personal securities trading, outside business activities, the acceptance of significant gifts, reporting of certain gifts and business entertainment items, and political and charitable contributions. All Moerus employees must acknowledge annually that they understand and agree to the terms of the Code.

The Code is distributed to each employee at the time of hire. The Code is supplemented with training materials upon hire of a new employee and periodically thereafter. Affiliated persons must provide Moerus with securities holdings reports upon commencement of employment and thereafter provide quarterly transactions reports and annual certifications of compliance with the Code on an annual basis.

Affiliated persons may not serve on the boards of for-profit enterprises without Moerus’ prior approval.

Clients and prospective Clients may obtain a copy of the Code by addressing a request for such Code to Moerus’ Chief Compliance Officer, 575 8th Avenue, Suite 2400, New York, New York 10018.

B. Securities in which Moerus Capital or a Related Person has a Material Financial Interest.

Neither Moerus nor any of its related persons recommends to Clients, or buys or sells for Client accounts, securities in which Moerus or any of its related persons has a material financial interest.

C. Investing in Securities that Moerus Capital or a Related Person Recommends to Clients.

Moerus, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for Clients.

These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Clients. Potential conflicts also may arise because Moerus and its personnel may have investments in the Partnership.

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

ITEM 12 BROKERAGE PRACTICES

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

The securities transactions of the Partnership can be expected to generate a substantial amount of brokerage commissions and other compensation, including clearing fees and charges, all of which will be paid by the Partnership. Moerus has complete discretion in deciding what brokers and dealers the Partnership will use and in negotiating the rates of compensation the Partnership will pay. Moerus selects brokers and dealers on the basis of best execution and in consideration of relevant factors, including, but not limited to, price quotes; the size of the transaction and ability to find liquidity; the broker-dealer's promptness of execution; confidentiality considerations; the nature of the market for the financial instrument; the timing of the transaction; difficulty of execution; the broker-dealer's expertise in the specific financial instrument or sector in which the Partnership seeks to trade; the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets; the broker-dealer's skill in positioning the financial instruments involved; the broker-dealer's financial stability; reputation for diligence, fairness and integrity; quality of service rendered by the broker-dealer in other transactions for Moerus; the quality and usefulness of research services and investment ideas presented by the broker-dealer or third parties; the broker-dealer's willingness to correct errors; the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; and other factors deemed appropriate by Moerus. The Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

Accordingly, if Moerus concludes that the commissions charged by a broker, or the spreads applied by a dealer, are reasonable in relation to the quality of services rendered by such broker or dealer (including, without limitation, the value of the brokerage and research products or services provided by such broker or dealer), the Partnership, may pay commissions to, or be subject to spreads applied by, such broker-dealer that are greater than those another broker-dealer might charge or apply.

Moerus maintains policies and procedures to review the quality of executions.

1. *Research and Other Soft Dollar Benefits.*

Brokerage and research-related goods and services provided by brokers and dealers through which portfolio transactions for the Partnership are executed, settled and cleared may include, but are not limited to, research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, and other goods and services providing lawful and appropriate assistance to us in regards to our investment decision-making responsibilities on behalf of the Partnership and related accounts (collectively "soft dollar items"). Soft dollar items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the Partnership with

credits or rebates provided by brokers and dealers. Soft dollar items may arise from over-the-counter principal transactions, as well as exchange-traded agency transactions.

From time to time, Moerus may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transaction) for effecting 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 use of commissions or “soft dollars” if any, generated by the Partnership through agency and certain riskless principal transactions to pay for brokerage and research-related products or services, if any, will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), brokerage and research-related products or services obtained with soft dollars generated by one Client may be used by Moerus to service other Clients. Soft dollars generated in respect of futures, currency and derivatives transactions and principal transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) and will be utilized only with respect to brokerage- and research-related products and services for the benefit of the account generating such soft dollars.

When Moerus uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Moerus may receive a benefit because it does not have to produce or pay for such products or services (unless the cost of such products or services is to be otherwise paid for by the Partnership). Moerus may have an incentive to select or recommend a broker or dealer based on our interest in receiving research or other soft dollar items, rather than on our Clients’ interest in receiving most favorable execution.

Moerus considers the amount and nature of research and research services, if any provided by brokers and dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of the Partnership on the basis of that consideration. Brokers and 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 or 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 Moerus make binding commitments as to the level of brokerage commissions it will allocate to a broker or dealer, nor will it commit to pay cash if any informal targets are not met. A broker or dealer will not be excluded from executing transactions for the Partnership because it has not been identified as providing soft dollar items.

2. Brokerage for Client Referrals.

Neither Moerus nor any related person receives Client referrals from any broker or dealer or third party. However, from time to time, prime brokers may assist the Partnership in raising additional funds from investors, and representatives of Moerus may speak at conferences and programs sponsored by such brokers for investors interested in investing in hedge funds. Through such “capital introduction” events, prospective investors in the Partnership would have the opportunity to meet with Moerus. Currently, Moerus does not compensate any broker for organizing such events or for any investments ultimately made by prospective investors attending such events, nor does Moerus anticipate doing so in the future. As discussed above,

subject to best execution, Moerus may consider, among other things, capital introduction and marketing assistance with respect to investors in the Partnership in selecting or recommending brokers or dealers for the Partnership. While such events and other services provided by a prime broker may influence us in deciding whether to use such broker in connection with brokerage, financing and other activities of the Partnership, Moerus will not commit to allocate a particular amount of brokerage to a broker in any such situation.

3. *Directed Brokerage.*

Moerus does not recommend, request, require or permit a Client to direct Moerus to execute transactions through a specified broker or dealer.

B. Trade Allocation and Aggregation Policies and Procedures.

Certain other investment funds sponsored by Moerus in which the Partnership will have no interest (such other Clients and funds, "Other Accounts") that may be formed in the future, may have investment objectives, programs, strategies and positions that are similar to, or may conflict with, those of the Partnership, or may compete with, or have interests adverse to, the Partnership. The portfolio strategies employed by Moerus for Other Accounts could conflict with the transactions and strategies employed by Moerus in managing the Partnership and may affect the prices and availability of the securities and instruments in which the Partnership invests. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the Partnership and Other Accounts.

It is the policy of Moerus to allocate investment opportunities fairly and equitably over time. When it is determined by Moerus that it would be appropriate for the Partnership and one or more Other Accounts which may be formed in the future to participate in an investment opportunity, Moerus will ordinarily seek to execute orders for all such investment vehicles on an equitable basis, to be allocated fairly among those accounts. The Adviser determines for which of its accounts participation in a respective investment is considered appropriate and the allocation of such investment among such accounts, taking into account, among other things, such factors as (a) the relative amounts of capital available for new investments; (b) relative exposure to market trends; (c) the investment programs and portfolio positions of all such investment vehicles; (d) whether the risk-return profile of the proposed investment is consistent with the account's objectives; (e) the potential for the proposed investment to create an imbalance in the account's portfolio; (f) liquidity requirements; (g) potentially adverse tax consequences; (h) regulatory restrictions that would or could limit an account's ability to participate in a proposed investment; and (i) the need to adjust the risk in the account's portfolio. Such considerations may result in allocations among the Partnership and one or more Other Accounts on an other than a *pari passu* basis. Orders may be combined for the Partnership and the Other Accounts, and if any order is not filled at the same price, they may be allocated on an average price basis or on any other basis deemed fair and equitable by Moerus. Similarly, if such an order cannot be fully executed under prevailing market conditions, securities may be allocated on a basis that the General Partner or its affiliates consider equitable.

ITEM 13

REVIEW OF ACCOUNTS

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

Prior to being made, all investments are carefully reviewed and approved by investment professionals of Moerus, including Moerus' Portfolio Manager. Moerus does not conduct formal periodic reviews of Client accounts. The Adviser believes that such formal reviews are not necessary in light of the direct regular management of the account of the Partnership, by Moerus' Portfolio Manager and other investment professionals.

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

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

C. Content and Frequency of Account Reports to Clients.

Investors in the Partnership will receive unaudited reports of the performance of the Partnership at least quarterly and audited year-end financial statements annually; provided, however that the Partnership's first audit will cover the period from when it commences operations until December 31, 2016. Moerus may also provide certain investors with more detailed information upon request.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

Moerus does not receive economic benefits from non-Clients for providing investment advice and other Advisory services.

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

Neither Moerus nor any related person directly or indirectly compensates any person who is not a supervised person, including third-party solicitors, for Client referrals. Any such arrangements in the future will be entered into consistent with applicable regulatory requirements, including the disclosure to the prospective Client of the arrangement at the time of the solicitation. However, Moerus may receive Client referrals from brokers providing services to the Partnership. See Item 12 (Brokerage Practices) above.

ITEM 15

CUSTODY

All Client assets are held in custody by unaffiliated broker-dealers or banks that serve as qualified custodians; however, Moerus may be deemed to have custody of Client funds and securities because it or its affiliate has the authority to obtain Client funds or securities, for example by deducting Advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Partnership are sent by qualified custodians to Moerus. However, the investors of the Partnership will not receive statements from the qualified custodians.

Moerus is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to the Partnership because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that such Partnership 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 Partnership distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16

INVESTMENT DISCRETION

Moerus has been granted discretionary authority to manage the securities accounts of the Partnership pursuant to an investment management agreement and the Partnership pursuant to the Partnership's limited partnership agreement. Moerus' investment decisions and advice with respect to the Partnership are subject to the Partnership's constituent documents. Any limitations on Moerus' discretionary authority are described in the Partnership's confidential offering memorandum.

The Adviser will provide investment Advisory services on a discretionary basis to other Clients. Please see Item 4 for a description of any limitations Clients may place on the Adviser's discretionary authority.

Prior to assuming discretion in managing a Client's assets, the Adviser will enter into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary Client, the Adviser will have the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the Client account. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and securities held. The Adviser's portfolio managers will submit an allocation statement to the Adviser's trading desk describing the allocation of securities to (or from) Client accounts for each trade/order submitted. The portfolio managers may consider the following factors, among others, in allocating securities among Clients: (i) Client investment objectives and strategies; (ii) Client risk profiles; (iii) tax status and restrictions placed on a Client's portfolio by the Client or by applicable law; (iv) size of the Client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible Client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead a portfolio manager to allocate securities to Client accounts in varying amounts. Even Client accounts that will be typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Allocations will be made among Client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a Client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a Client's status as a "restricted person" under applicable regulations.

The Adviser may effect cross transactions between discretionary Client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two Clients 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. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between Client accounts will not be permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless Client consent has been obtained based upon written disclosure to the Client of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions will not be permitted for benefit plan or other similar accounts that are subject to ERISA.

If it appears that a trade error has occurred, the Adviser 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 to ensure that Clients are treated fairly and, following error correction, are in the same position they would have been if the error had not occurred. The Adviser will have discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a Client 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 Client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the Client account.

ITEM 17

VOTING CLIENT SECURITIES

Moerus has the authority to cast all proxy votes. Moerus has adopted a written proxy voting policy, as required by the Advisers Act. The policy provides that the Adviser will act in the best interests of our Clients, as determined by Moerus in good faith, in determining whether and how to vote on any proxy voting matter. The Adviser will classify all requests for stockholder voting authority and related proxy materials as routine (e.g., uncontested director elections, reappointment of independent audit firms, and capital structure changes that do not disadvantage our Client funds) or non-routine. In the case of any routine matter, the Adviser will generally vote in accordance with the recommendations of the issuer's management unless, in our opinion, such recommendations are not in the best interests of our Client funds. Moerus' Portfolio Manager and Chief Compliance Officer will consult with each other concerning the best method to resolve any actual or apparent conflict between the interests of Moerus and its Clients in a manner that affords priority to the interests of Moerus' Clients taken as a whole. In order to facilitate the proxy voting process, Moerus may from time to time retain a third party proxy voting service to vote proxies in a timely manner for our Client funds.

Investors may obtain a copy of the policy and information on how Moerus voted Client securities by addressing a request for such policy or information to Moerus Capital's Chief Compliance Officer, 575 8th Avenue, Suite 2400, New York, New York 10018.

ITEM 18
FINANCIAL INFORMATION

Moerus is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19
REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.