

GARDA CAPITAL PARTNERS LP



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This brochure provides information about the qualifications and business practices of Garda Capital Partners LP. If you have any questions regarding the contents of this brochure, please contact us at (612) 330-4900 or compliance@gardacp.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Garda Capital Partners LP is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Garda Capital Partners LP is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

This section of the Brochure is intended to disclose and summarize specific material changes since our last annual update, which was the version dated March 30, 2017. The material changes reflected in this Brochure include the following:

- In Items 4 and 10, we updated references to our Danish subsidiary and its registration with the Danish Financial Services Authority.
- In Item 5, we added additional information regarding expenses relating to Bloomberg and tax professional services for FATCA and CRS required filings. Additionally, we added further information regarding fees and expenses allocation methodologies, as well as a disclosure regarding Garda's investment of certain employee deferred compensation in a Fund.
- In Item 8, we updated the Sovereign Debt risk disclosure and added risk disclosures regarding Covered Bonds and Cybersecurity.
- In Item 12, we added disclosure information regarding Trade Errors.

If you are interested in receiving the most recent version of our Brochure, please contact our Compliance department by email at compliance@gardacp.com.

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ITEM 4. ADVISORY BUSINESS

Garda Capital Partners LP (“Garda”) is a Delaware limited partnership, established in 2015, which is owned by founding partners Jeffrey Drobny, Timothy Magnusson and Robert Goedken (collectively, the “Partners”). Garda’s main operations are located in Minneapolis, Minnesota.

Garda provides investment management services to private pooled investment vehicles or single investor funds (the “Funds”) offered to investors on a private placement basis. On February 1, 2016, Garda assumed management of certain of the Funds from Black River Asset Management LLC (“Black River”), a wholly owned subsidiary of Cargill, Incorporated (“Cargill”). In conjunction with the transition of such Funds to Garda, approximately 40 former employees of Black River involved in the management of the Funds became Garda employees. While neither Black River nor Cargill has any ownership interest in Garda, Garda has agreed to make certain payments to Cargill over a long-term period as part of the agreement regarding the assumption of management of the Funds.

In addition to its principal place of business in Minnesota, Garda also has a New York office for U.S. portfolio management staff. Additionally, Garda has two subsidiaries in Europe: Garda Capital Partners Sàrl, a Swiss limited company in Geneva, Switzerland that is registered as an asset manager with the Swiss Financial Market Supervisory Authority (“Garda Switzerland”), and Garda Capital Partners Copenhagen Fondsmæglerselskab A/S, a Danish limited company in Copenhagen that is registered as an investment firm with the Danish Financial Services Authority (“Garda Denmark”). Each of Garda Switzerland and Garda Denmark implement certain strategies related primarily to European and Asian investment assets pursuant to a sub-advisory agreement with Garda. Garda Switzerland and Garda Denmark’s activities are limited to implementing Garda’s trading strategies and they do not provide any other services to the Funds or other clients.

The interests in the Funds offered by Garda are not registered under the Securities Act of 1933, as amended, and the Funds themselves are not registered under the Investment Company Act of 1940, as amended. As a result, Investors in the Funds do not have the benefit of the protections afforded by, nor are the Funds subject to the restrictions resulting from, such registrations and regulations. Accordingly, interests in the Funds are offered and sold exclusively to U.S. and non-U.S. Investors satisfying the eligibility and suitability requirements applicable to private transactions under applicable U.S. law. Investments in the Funds are limited to sophisticated institutional investors, including corporations, pension plans, sovereign

wealth funds, endowments and foundations, private wealth management firms, and fund-of-funds, as well as to Garda and knowledgeable Garda employees.

The Funds are managed according to the terms and investment objectives set forth in each Fund's Confidential Private Placement Memoranda, Confidential Offering Memoranda and other governing documents applicable to each Fund (collectively referred to as the "Offering Documents") provided to Investors. The roles and responsibilities of Garda are defined in investment advisory agreements between Garda and the Funds, and in the sub-advisory agreement between Garda and Garda Switzerland and the portfolio management agreement between Garda and Garda Denmark.

Persons reviewing this Brochure should not construe this as an offering of any Fund. Any offer or solicitation of interests will be made pursuant to the delivery of the Offering Documents for the respective Funds, which should be read carefully prior to investing for a description of the merits and risks of such an investment.

Throughout this brochure, the Funds (inclusive of both the master/feeder and single investor funds) are collectively referred to as "Funds" or "Clients." The individual investors in the Funds are referred to as "Investors." Garda, Garda Switzerland and Garda Denmark collectively are referred to throughout this Brochure as "Garda," "we", "our" or "us."

As of December 31, 2017, Garda had approximately US\$ 3.204 billion in discretionary net assets under management. Garda's Regulatory Assets Under Management (as defined in Form ADV Part 1) was approximately US\$40.426 billion¹.

¹ Garda's Regulatory Assets Under Management ("RAUM") value reflects a change to accounting methodology that was made effective December 1, 2016, which materially reduced the level of RAUM when compared to the values reported prior thereto. Effective December 1, 2016, the Funds managed by Garda changed their method of accounting for repurchase agreements and reverse repurchase agreements to net (or "offset") these agreements when the following criteria are met: the counterparty, end date, currency, and settlement system are the same and the agreements are subject to the Fund's Master Netting Agreements with the counterparty, as permitted under ASC Topic 210, Balance Sheet ("ASC 210"). This method of accounting was adopted after guidance and consultation with the Funds' auditors, Ernst & Young. Garda believes this method of accounting more accurately reflects the Fund's exposure under its Master Repurchase Agreements and Global Master Repurchase Agreements while remaining consistent with generally accepted accounting methods used within the industry.

ITEM 5. FEES AND COMPENSATION

Each Fund pays Garda a management fee (the “Management Fee”) calculated and payable monthly in advance or in arrears. Funds established for a single Investor are charged a negotiated Management Fee based on the investment strategy and structure of the Fund, while pooled Funds offered to multiple Investors currently charge all Investors an annual Management Fee equal to 1.5% of the Fund’s net asset value. Garda deducts fees directly from the Fund’s assets each month based on the calculated net asset value (“NAV”). The Management Fee is generally calculated on the value of the Fund’s assets minus liabilities which include the incurred expenses noted below.

Additionally, Garda may receive performance based compensation (the “Performance Fee”) based on the specific terms of each Fund’s Offering Documents. Please see Item 6 – Performance-Based Fees and Side by Side Management for details on the Performance Fees paid by the Funds. Garda and certain current and former executives and other personnel of Garda may be permitted to invest in a Fund without being subject to the Management Fee or Performance Fee.

In general, and in the cases where certain fees may be paid in advance for a period in which the Advisory Agreement with a Fund has been terminated or, with respect to an Investor who redeems all or a portion of its investment in such Fund, the applicable portion of such fees paid relating to the portion of the period after such termination or redemption will be returned or credited to the Fund, subject to the terms of its Advisory Agreement and/or Offering Documents. However, mid-period redemptions or terminations are not typically permitted.

The fees and expenses associated with an investment in the Funds vary, depending on the Fund, and are described in detail in each Fund’s Offering Documents. We may, in our discretion, manage Funds with substantially similar or the same investment strategy with higher or lower fees, different fee structures, and different expense payment arrangements.

Each Fund is typically responsible, pursuant to the terms of its Offering Documents, for its ongoing direct, administrative, operating and other operational and transactional expenses. The expenses incurred by each Fund vary depending on the nature of the operations and activities of the Fund and are described in detail in each Fund’s respective Offering Documents. These expenses may be incurred either directly by the Fund or, in some instances, Garda will incur the expense and obtain reimbursement from the Fund. Expenses generally paid by the Funds, either directly or by reimbursement to Garda, include, but are not limited to:

- Organizational and initial offering expenses, government fees, jurisdictional filing fees, regulatory reporting expenses;
- all commissions, mark-ups, mark-downs, spreads, access fees, exchange fees and expenses including membership fees and costs of exchange seats, clearing fees and fees and expenses assessed by custodians, counterparties, banks, futures commission merchants and other financial service providers (See Item 12 – Brokerage Practices);
- interest and other financing charges, as well as costs related to repurchase agreements;
- fees associated with the purchase of ETFs or other similar funds;
- custody costs and fees;
- bank and wire transfer fees;
- professional fees and expenses related to the Fund, including for such services as audit, accounting, consulting (including compliance consultants), outside director and tax preparation, regulatory and self-regulatory fees and costs of filings;
- legal fees incurred in connection with revisions of the Funds' Offering Documents, side letters or other Fund-related legal documents as well as legal advice related to the Fund;
- Directors' and Officers' insurance premiums of the Fund as well as all expenses incurred as a result of the Fund's obligation to indemnify Garda, the Directors, the Administrator and any other parties to which the Fund has Indemnity obligations;
- fees and expenses associated with market data, research, data feeds, valuation or quotation services (e.g. Bloomberg) and related costs of connectivity¹;
- fees and expenses related to third party research or other financial services incurred in connection with evaluating prospective investment opportunities or that support trading and/or investment decisions;
- Administrator, registrar, transfer agent and risk aggregator fees and expenses;
- Computer software and/or technology specific to the management or reporting obligations of the Fund;
- Printing, mailing and communications fees;

¹ Bloomberg costs are inclusive of back-office employee use to support Garda Funds' activities and includes required hardware expenses.

- Taxes (if any) including tax related expenses such as professional services for FATCA and CRS required filings; and
- other expenses and liabilities incurred in connection with or arising out of the Fund's operations, including extraordinary or non-recurring charges such as litigation expenses.

Additionally, the Funds employ the administrative services of SS&C Technologies, Inc. ("SS&C"). SS&C serves as the administrator to the Funds and provides certain accounting, middle and back office administrative and operational services, such as trade reconciliations, on their behalf. Each Fund pays SS&C fees for its services at a rate which is generally comprised of basis point fees based on the Fund's investment capital (subject to a monthly minimum) as well as a series of agreed-upon fees for certain specific services.

Garda may also pursue strategies where a Fund invests in securities of investment companies or other collective investment vehicles (i.e., open-end mutual funds, closed-end funds, ETFs, other private funds) that are not managed by Garda. In such cases, the Fund will pay the fees charged by these vehicles which typically include management or other advisory fees, although Garda expects these fees to be not material. Garda does not discount the fees it charges for investments in the vehicles that charge the Fund advisory fees; and, in these instances, the Fund will pay multiple layers of advisory fees for the assets invested.

Valuation

Each Fund's NAV, as of any date of determination, is the value of its assets minus its liabilities as determined by us in accordance with the Fund's Offering Documents and generally accepted accounting principles. Garda is responsible for determining the fair market value of each Fund's investment instruments and, in doing so, has considerable discretion in valuing certain privately-placed and less liquid investment instruments. Garda has adopted pricing methodologies for the valuation of the Funds' investment instruments as described in each Fund's Offering Documents. We generally will face a conflict of interest involving valuation of such investment instruments because these values generally will affect our compensation. The majority of the Funds' fees and expenses are billed to each Fund individually, but in cases where an allocation between Funds is necessary, Garda will follow an approved methodology.

Examples of such methodologies may include allocation based on each Fund's NAV, position counts or staffing levels.

Differential Business Terms and Access to Information

We may, and we may cause the Funds to, enter into "side letters" which modify certain terms applicable to certain Investors' investments in the Fund — including, for example, information reporting, reduced fees and "most favored nations" protection. Additionally, we may respond to requests from Investors or otherwise agree to provide certain additional information to certain Investors. Further, Garda's investment of certain employee deferred compensation in a Fund is redeemed in accordance with such terms disclosed in the applicable Fund Offering Documents. Garda will not, however, grant any Investor preferential redemption rights nor will we provide any Investor preferential access to information which Garda believes to be material.

Method of Fee Payment

The specific manner in which fees and expenses, including the Performance Fee, are charged by Garda is stated in each Fund's respective Offering Documents. Garda deducts fees and expenses directly from the Funds and the Investors' capital accounts are reduced proportionately by the amount of such fees.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Garda generally receives performance-based fees from Funds it manages consistent with the terms of the respective Offering Documents. Typically, the fee is received as a Performance Fee from each Fund equal to a percentage of the positive difference between the NAV of each Investor's investment in the Fund and the "high water mark" attributable to such investment as of the Fund's fiscal year end (December 31), and as of each date that an Investor withdraws capital or transfers an interest in the Fund. The specific terms governing the structure and calculation of the Performance Fee and high water mark, which may vary between Funds, are described in detail in the Offering Documents applicable to each Fund.

The Performance Fee is calculated pursuant to the terms of each Fund's Offering Documents. Garda's compensation is based, in some respects, on our calculation of the NAV which may provide an incentive to engage in more speculative investment strategies in an effort to maximize a Fund's gross profits and receive greater compensation. In addition, Garda's calculation of NAV may provide an incentive to overstate profits and/or understate losses. However, Garda believes its implemented Valuation Policy, external pricing services, review of valuation decisions by its internal Valuation Committee and the valuation services provided by each Fund's respective administrator mitigate these inherent risks. Such fee arrangements also may create an incentive to favor higher fee paying Funds over other Funds in the allocation of investment opportunities (see Item 12 - Allocation of Investment Opportunities). Garda has implemented policies and procedures it believes are reasonably designed to ensure that all Funds are treated fairly over time, and to prevent this conflict from influencing the allocation of investment opportunities among Funds.

ITEM 7. TYPES OF CLIENTS

Garda provides investment advisory services to the Funds based on the particular investment objectives and strategies described in the applicable Fund's Offering Documents. Investors in the Funds include corporations, pension plans, sovereign wealth plans, endowments and foundations, private wealth management firms, fund-of-funds and other business entities that meet eligibility, suitability and minimum investment requirements, Garda and knowledgeable Garda employees.

The shares or interests in the Funds are not registered under the Securities Act of 1933, and the Funds are not registered under the Investment Company Act of 1940. Accordingly, interests in the Funds are offered and sold exclusively to sophisticated Investors satisfying certain eligibility and suitability requirements either in private transactions within the United States or in offshore transactions with non-U.S. Investors. Additionally, each Fund imposes a minimum investment requirement (waived in certain circumstances at the discretion of Garda) with no Fund having a minimum investment that is less than \$10,000,000. The applicable eligibility, suitability and minimum initial investment requirements are described in more detail in the Offering Documents of each Fund.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Garda generally employs proprietary investment strategies based upon fundamental research as well as on quantitative analysis. Investment ideas and information are generated internally through various Garda sources of expertise and market information and externally through an extensive network of brokers and other industry professionals who may provide research or other information in support of our investment analysis. Depending on the strategy implemented, we may consider broader macro-economic and geo-political analysis of world markets and economies, including, but not limited to, general or specific economic indicators, inflation rates, trends in international trade, energy and commodity production and supply, foreign exchange trends, governments' political, fiscal and monetary policies, market liquidity measures, supply and demand measures of industries, sectors and products, assessment of the general market appetite for risk and investment in various financial instruments and products, and other measures we believe are relevant to identifying and assessing available investment opportunities.

Investment Strategies

Garda implements investment strategies which seek absolute returns primarily through leveraged relative value and directional trading concentrated on liquid fixed-income instruments originating in a region that generally extends throughout the Eurozone (countries for which home currency is the Euro), the United States, the United Kingdom, Sweden, Denmark, Norway, Switzerland, Canada, Japan, Australia and New Zealand. The strategies employed may pursue a variety of relative value, directional, macro, arbitrage, event based and other value-driven approaches which involve active trading, with many positions being held on a short-term basis, and rapid redeployment of capital.

The strategies implemented focus primarily on developed market sovereign debt and interest rate and foreign exchange derivatives, including inflation products, but also trade a variety of supranational, federal agency and semi- or quasi-government debt and mortgage related instruments. Derivatives are used extensively to hedge and obtain leverage on underlying positions, initiate market access, take outright directional positions and/or arbitrage market anomalies. Derivatives traded include both exchange-traded and over-the-counter products, including futures, options, repurchase agreements, interest rate swaps, currency swaps, credit default swaps and total return swaps. Other types of securities and derivative may also be

incorporated into Garda's strategies and there generally is no material limit within the Funds Offering Documents regarding the markets or instruments which may be traded.

The investment objectives, strategies and risks specific to each of the Funds managed by Garda are set out in the respective Fund's Offering Documents provided to Investors. Unless otherwise restricted in the Offering Documents, each of the Funds generally has the flexibility to pursue a wide or unlimited range of strategies and investment instruments, including strategies and instruments not previously described or disclosed to Investors and without restrictions on asset type, industry, geographic market, concentration, degree of leverage, or other portfolio characteristics. We generally are not required to, and do not intend to, notify Investors in advance of changes in our investment strategies or portfolio composition. Investors and potential Investors should understand that the investment objectives and strategies implemented by the Funds are generally speculative, highly leveraged and involve a substantial degree of risk. There can be no assurance that any Fund will achieve its objectives, and Investors could lose all or substantially all of their investment.

The following is a description of some of the characteristics and risks associated with the more significant strategies and investment instruments that we may implement or invest in on behalf of Garda's Clients generally. Not all of the strategies, investment instruments and associated risks are relevant to each Fund, and the descriptions presented here are not inclusive of all risks and conflicts of interest that may be applicable to an investment in the strategies offered by Garda. Investors and prospective Investors should refer to the relevant Offering Documents for a more complete discussion of applicable risks and conflicts specific to each Fund.

Significant Risks - Methods of Analysis

Technical Analysis

We utilize the analysis of historical and current market data, or technical analysis, in our investment decisions. This type of analysis is subject to the risk that unexpected fundamental factors or other factors may dominate the market during certain periods. Furthermore, a frequent premise of technical analysis is that past market conditions are indicative of future market prices. The influx of different market participants, structural changes in the markets, the introduction of new financial products and other developments could materially and adversely affect the profitability of investments made based upon technical analysis.

Fundamental Analysis

Fundamental analysis, which is based on the premise that market mispricing exists because market prices do not incorporate all knowable economic and other relevant data, is subject to the risk of inaccurate or incomplete market information, as well as the difficulty of predicting future prices based upon analysis of all known information. Investments made based upon fundamental analysis are subject to significant losses when market sentiment leads to investment instruments' market prices being materially different from the expected prices indicated by fundamental analysis or when technical factors, such as price momentum encouraged by trend following, dominates the market.

Model Risk

Certain of the strategies we employ are highly dependent on quantitatively based pricing theories and risk and valuation models which we use to evaluate investment opportunities. These models generally seek to forecast future price changes and portfolio performance based upon a limited number of factors and inputs. The forecasts generated by these models may differ substantially from actual future price realizations, potentially resulting in substantial losses. There can be no assurance that the models we use will be effective and since the models we use may depend upon inputs from various sources, inaccuracies in such inputs or the calculations we apply may result in unexpected losses.

Risk Management

We actively take risk on behalf of our Clients, directly exposing our Funds to the risk of loss under a wide variety of market conditions. We have established risk management processes to identify, measure and monitor risks associated with the investment activities undertaken on

behalf of the Funds. The risk management processes are intended to assist us in our investment decision making process and to identify risk exposures that we may choose to hedge or otherwise mitigate. However, the risk management processes may fail to identify or anticipate a wide variety of risks that may adversely affect our Funds, potentially exposing the Funds to material, unanticipated losses.

Dependence on Garda

The Funds are dependent on the ability of Garda to manage their trading and investment programs. Garda, in turn, is dependent on the skill, judgment and expertise of a relatively small number of key investment and business management personnel which are integral to successfully implementing Fund strategies. Although Garda has retained substantial personnel resources, the investment and business management professionals that specialize in certain of the strategies implemented by Garda may be strictly limited in number, and the highly specialized nature of the markets in which Garda trades may make these professionals particularly difficult to replace if they were to leave. Losing the services of any such key investment or business management personnel could impair the ability of Garda to manage one or more strategies in a manner consistent with the Fund's investment objectives, and the consequence to the Fund could be material and adverse, potentially including the premature termination of the Fund.

Significant Risks - Strategies

Portfolio Turnover

Many of the strategies implemented by Garda utilize frequent trading and exhibit high portfolio turnover. Profit opportunities from investments on the basis of short-term market considerations, mis-pricings or other criteria can be short-lived. The turnover rate of our Funds' positions may be significant, involving substantial brokerage commissions and fees as well as clearing costs.

Portfolio Diversification

Although diversification is an integral part of Garda's overall portfolio risk management process, the Funds are generally not restricted as to the percentage of any Fund's assets that may be invested in any particular country, asset class, industry, issuer, instrument, market, sector or strategy. For certain Funds and strategies where such an approach is consistent with the Fund's investment objectives, we may take highly concentrated positions in an attempt to maximize the Fund's returns. Consequently, a loss in any such concentrated position could ultimately result in significant losses to the Fund and proportionately higher losses than if such Fund's capital had been spread over a wide number of positions.

Hedging

In executing many of its strategies, Garda may enter into hedging transactions with the intention of reducing or controlling risk but does not, in general, attempt to hedge all market or other risks inherent in the strategies implemented by the Funds. Garda is not obligated to utilize hedging strategies, and Garda may choose not to hedge certain risks or may determine that hedging is economically unattractive — either in respect of particular positions or with respect to a Fund's overall portfolio. It is possible that the hedging strategies employed may not be effective in controlling risk, and may, due to unexpected change in correlation between the hedging instrument and the position being hedged, increase rather than reduce both risk and losses.

Leverage

The Funds typically make extensive use of leverage and regularly borrow from brokers, banks and other lenders to finance investments and enhance returns. Through the use of leverage, the Funds acquire substantially more assets and market exposure than the Fund has equity and

the Funds are typically not limited in the amount of leverage they can use. The use of leverage may significantly increase both the strategy's market exposure and associated risks. In addition to the risk that the interest expense and other costs incurred in connection with this borrowing may not be recovered by appreciation in the investments purchased, Garda strategies which depend on borrowing frequently have "on-demand" repayment risk. As a general matter, the leverage counterparties that provide financing to the Funds can apply essentially discretionary margin, haircut, financing, security and collateral valuation policies. Changes by the leverage counterparties in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, breaches of any financing agreement terms and covenants due to poor performance or otherwise, may result in increased margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swaps, repurchase agreements and other leveraging arrangements, as well as cross-defaults to agreements with other leverage providers. The financing available from leverage counterparties is particularly likely to be restricted or withdrawn in disrupted markets. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel Garda to liquidate all or a portion of the Fund's portfolio at disadvantageous prices. In light of these considerations, there can be no assurances that strategies dependent on leverage will be able to maintain adequate financing arrangements under all market conditions, and the lack of adequate financing could result in significant losses, or the inability to pursue the investment strategies of the Funds.

Exchange Rate Risk

The Funds managed by Garda are denominated in, and value assets in, U.S. dollars, and Investors whose functional currency is not the U.S. dollar will have material exchange-rate risk with respect to their investment in the Fund.

Many of the strategies pursued on behalf of the Funds trade and invest in securities and instruments denominated in non-U.S. currencies. Such investments are subject to the risk that the value of a particular currency will change in relation to the U.S. dollar. Among the factors that may affect currency values are direct government intervention (often intended specifically to change currency values), trade balances, the level of short-term interest rates, differences in the relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Funds may, from time to

time, invest and trade in a manner resulting in exposure to selected currencies for speculative purposes and may also incur potentially significant transaction costs (as well as potential losses) resulting from currency hedging transactions.

Relative Value Strategies

The success of our relative value strategies depends on market values converging towards the theoretical values determined by the valuation models we utilize and our ability to express these relative mis-pricings through interrelated investment instruments. Our relative value strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of valuation models, among other factors. Even if correctly identified, relative value positions may not converge within the anticipated time frame, and, in the event of market disruptions, significant losses may be incurred which may force the Funds to close out positions.

Directional Strategies

Directional investing is subject to all the risks inherent in incorrectly predicting future price movements. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, may not be hedged. Price movements may be influenced by unanticipated factors, or our analysis of known factors may prove inaccurate, in either case potentially leading to substantial losses.

Fixed Income Strategies

Strategies incorporating fixed income securities and their derivatives are subject to interest rate risk due to changes in interest rates, as well as changes to the credit risk premium applicable to the various categories of fixed income and other debt securities. Garda may attempt to reduce the exposure of a Fund's portfolio to interest rate and credit risk premium changes through hedging transactions that utilize interest rate and credit related securities and derivatives. There can, however, be no assurance or guarantee that Garda will be successful in mitigating the impact of interest rate or credit risk premium changes on a given Fund's portfolio.

Event Based Strategies

Strategies based on the expectation that certain events will or will not take place, such as the consummation of an announced or otherwise anticipated market transaction or governmental

action, depend upon Garda's ability to make predictions about (i) the likelihood that an event will or will not occur and (ii) the impact such event will have on the value of related investments. The consummation of such transactions can be prevented or delayed by a variety of factors, such as the intervention of a governmental or regulatory agency, market conditions resulting in material changes in market prices or the inability to obtain adequate support from the event constituents. If the anticipated event fails to occur or it does not have the effect foreseen, losses can result, and there can be no assurance or guarantee that Garda will be successful in anticipating such events.

Significant Risks - Investment Instrument Risks

Debt Securities Generally

Debt securities, including sovereign debt securities, may be subject to price volatility due to various factors including changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. In addition to the sensitivity of debt securities to overall interest rate movements, debt securities involve a fundamental credit risk based on the issuer's ability to make principal and interest payments on the debt it issues.

Sovereign Debt

The Funds invest in non-U.S. government debt securities, including debt obligations issued or guaranteed by national, state or provincial governments, political subdivisions or quasi-governmental or supranational entities. Sovereign governments often intervene in the markets for their debt for a variety of economic and/or political reasons which may be unanticipated by Garda and occur suddenly.

A number of the issuers of sovereign debt securities in which the Funds invest may experience serious difficulties in servicing their debt obligations, and in some cases could default on such obligations. These issuers may be unable or unwilling to repay principal or interest when due, and debt holders may have limited recourse in the event of a default. Certain sovereign debt may have non-investment grade ratings or be in distress or even default, potentially resulting in greater market volatility.

Mortgage Related Securities

The Funds may invest a portion of their capital in strategies which include investments in residential mortgage-backed securities. Garda intends to trade residential mortgage-backed securities in a manner generally consistent with its other leveraged relative value strategies which seek to isolate specific differences between various investment instruments while attempting to minimize exposure to the underlying credit risks. There can be no assurance, however, that Garda will be successful in minimizing unintended risk exposures and, since 2007, the mortgage-backed securities markets have experienced high levels of volatility, with some investors suffering significant or total losses. At times, the mortgage-backed markets have fundamentally underestimated the inherent risks in these investments, including the risks of loss associated with homeowner defaults, declining real estate values, unexpected rates of prepayment and complex security structures. The markets for some mortgage related

securities have also experienced periods where many instruments have become highly illiquid and difficult to value. Mortgage-backed securities that are issued by U.S. government-sponsored agencies have been generally less exposed to credit risk and the risk of decreasing collateral values but, while these instruments have not historically suffered the same volatility or illiquidity suffered by some other mortgage-backed securities, there can be no assurance that this will continue to be the case.

The value of mortgage-backed securities are directly impacted by rates of homeowner defaults, prepayment and underlying collateral values which, in turn, are driven by a variety of economic, interest rate and public policy factors. Sudden or unexpected changes to these or other factors may result in the Fund experiencing a significant loss on its investment.

The Funds may also invest in covered bonds, typically in Nordic countries (Denmark, Finland, Norway and Sweden). Covered bonds are debt instruments issued by a bank or other financial institution and collateralized against a pool of assets such as mortgages. Covered bonds continue as obligations of the issuer providing an investor with dual recourse against the issuer and the collateral. Among other risks, the issuer of covered bonds may fail to make timely payments and any collateral may not be sufficient to cover all, or any, of the bond's value.

Currencies

The Funds may be subject to two types of exchange rate risk: the risk of speculative currency trading and the exchange rate risk inherent in investing in global investment instruments denominated in different currencies. Currency trading involves positioning in anticipation of movements in exchange rates among countries and we may trade currencies for certain Funds on a speculative basis in both directional and relative value strategies. Exchange rates can change dramatically over short periods of time, particularly during times of political or economic unrest or as a result of actions taken by central banks, which may be intended directly to affect prevailing exchange rates.

Moreover, many of the investment instruments in which our Funds invest are denominated in currencies other than the U.S. dollar, and certain U.S. dollar denominated investment instruments are convertible into investment instruments denominated in other currencies. Funds holding these and other positions are subject to the risk that exchange rate movements will cause losses on positions which might otherwise have been profitable.

Derivative Instruments

We make extensive use of various derivative instruments including, without limitation, options, swaps, credit default swaps, forward contracts, futures contracts and repurchase agreements, for hedging, leverage and speculative purposes. These instruments typically involve highly leveraged exposure to underlying referenced assets from which such instruments derive their performance, at least in part. The use of derivatives involves a variety of material risks, including the possibility of counterparty non-performance as well as deviations between the actual and the theoretical value of such derivatives. Changes in the volatility of the price of an underlying security or index may have a material effect on the theoretical value of a derivative instrument. Derivatives may be subject to a wide variety of contractual terms including a range of “early termination events” permitting the counterparty to liquidate the position prematurely. Although Dodd Frank and a number of non-U.S. regulatory mandates require many derivatives to be traded on exchanges, certain of the derivatives which Funds may trade are principal-to-principal or “over-the-counter” contracts between the Fund and third parties entered into privately, rather than on an exchange. As a result, the Funds will not be afforded the regulatory and financial protections of an exchange or its clearinghouse (or of the government regulator that oversees such exchange and clearinghouse).

Derivatives may be extremely illiquid, and, when not exchange traded, derivative positions may be able to be offset only by transacting with the counterparty to the derivative. In such privately negotiated transactions, the risk of the negotiated price deviating materially from fair value is substantial, particularly when there is no active market available from which to derive benchmark prices. Further, non-securities related derivatives have the same risks associated with them as other derivative financial instruments, including a high degree of leverage, deviations between actual and theoretical value of the reference rate or instrument and the derivative and imperfections in dealer pricing.

Options

We may buy or sell (write) both call options and put options on either a covered or an uncovered basis. The value of options is materially affected by market volatility. If we were to incorrectly forecast near-term market volatility, our Funds may incur substantial losses on their options trading. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security or reference instrument above the exercise price, which risk is theoretically unlimited.

Futures

We trade futures in certain of our strategies. Futures are often inherently highly leveraged, and can become illiquid due to exchange-imposed price fluctuation limits. Futures contracts can involve significant risks, including price volatility and potentially unlimited losses if prices move against a position. The successful trading of futures for speculative purposes requires correctly predicting movements in the direction of the relevant market and, to the extent the transaction is entered into for hedging purposes, determining the correlation between the position being hedged and the price movements of the futures contract.

Credit Derivatives

Certain Garda strategies purchase and sell credit derivatives, potentially with large levels of exposure. Credit derivatives trading is subject not only to the credit risk of the issuer of the underlying obligations to which such derivatives are referenced, but also to the credit risk of the counterparty to the credit derivative transaction itself. In certain cases, the credit derivatives market is significantly less liquid than the market in the underlying debt obligations, particularly if the derivative is not exchange traded and individually negotiated.

Other Market Risks

General Market Risks

Investors/potential Investors should understand that any investment in the Funds could be materially adversely affected by changes or instability in market conditions. The types of market conditions in which the Funds may incur losses or experience unexpected performance volatility cannot be predicted, and the Funds may materially underperform other funds with similar investment objectives. The general risks of market investing include, but are not limited to, the following:

- The Funds and strategies may not maintain significant diversification, and even if significantly diversified may not provide meaningful risk control;
- The strategies implemented by Garda trade with a high degree of leverage to achieve their objectives, thereby increasing risk and magnifying the effect of market volatility;
- Traded instruments may be subject to excessive market volatility and such market volatility should be expected to recur;
- The Funds could incur major losses during disrupted markets and other extraordinary events that materially distort historical pricing relationships or disrupt market liquidity;
- Fund strategies that are reliant on volatility to meet their objectives may incur trendless or stagnant markets where prospects for profitability are diminished;
- The profit potential of Funds may be materially diminished during market cycles in which there is a general decline in economic activity and/or active government intervention;
- Declines in market liquidity and/or leverage may disrupt markets and create forced sellers in order to pay back leverage or meet liquidity obligations;
- Suspensions in trading may limit liquidity in specific instruments or entire strategies potentially exposing the Funds to market volatility and potential losses;

- Certain strategies implemented by Garda are traded with limited market or instrument diversification, potentially increasing both performance volatility and risk, perhaps without a commensurate increase in returns; and
- The performance of certain strategies implemented by the Funds may be highly volatile, and, from time to time, different strategies implemented within a fund or account may have positively correlated performance—increasing overall risk and performance volatility.

Market Liquidity

Market liquidity often falls in periods of market turmoil, dramatically increasing transaction costs for investors seeking to acquire or liquidate positions. If we were to seek to liquidate the assets in a period of poor liquidity, our Funds could experience substantial losses. At the extreme, numerous alternative investment programs have incurred significant or total losses when attempting to liquidate positions during periods of extreme illiquidity, often when seeking to raise cash to meet margin calls issued by counterparties.

Interest Rate Risks

Certain of Garda's strategies trade and invest extensively in investment instruments which are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding pricing of long and short positions to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed investment instruments as well as the cost of the leverage. To the extent that interest rate assumptions underlie the thesis of a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose our Funds to losses.

Trading in Foreign Markets Generally

Garda trades in markets outside the United States where the trading in such markets is not regulated by any U.S. government agency and protections provided by U.S. regulations do not apply. Many non-U.S. securities markets are not as developed or efficient as those in the United States and may be more volatile than the U.S. markets. There may be generally less government supervision and regulation of non-U.S. exchanges, brokers and listed companies than in the United States. Further, trading volumes in non-U.S. markets are usually lower than in U.S. markets, resulting in reduced liquidity and potentially rapid and erratic price

fluctuations. Commissions for trades on non-U.S. securities exchanges are generally higher than negotiated commissions on U.S. exchanges and custody expenses are generally higher as well. Settlement practices for transactions in non-U.S. markets may involve delays beyond periods customary in the United States, possibly requiring a Fund to borrow funds or securities to satisfy its obligations arising out of other transactions. In addition, there could be more “failed settlements,” which can result in losses to Funds trading in such markets.

Some exchanges in less developed markets, in contrast to U.S. or other developed market exchanges, are “principals’ markets” in which performance with respect to a contract is the responsibility only of the individual member with whom the Fund has entered into the contract and not of the exchange or its clearinghouse, if any. In such cases, the Funds will be subject to the risk of the inability of or refusal by its counterparties to perform with respect to their contracts with the Fund. Additionally, trading securities in less developed markets, involves the additional risks of expropriation, burdensome or confiscatory taxation, moratoriums, exchange or investment controls and political or diplomatic market disruptions, each of which might materially adversely affect the Fund’s trading activities.

Leverage & Financing Risks

Leverage achieved by a Fund through margin borrowings, loans, derivatives, repurchase agreements and other instruments requires the Fund to post collateral with brokers and other counterparties that provide financing to the Fund. Brokers and other counterparties have broad discretionary authority over valuation of the Fund’s assets they hold, and the amount of collateral required. A broker or other counterparty may have the right to (i) reduce the valuation of the Fund’s assets they hold, including collateral posted by the Fund; (ii) require the Fund to post additional collateral; and/or (iii) reduce unilaterally the credit extended to the Fund for a number of reasons, including reasons that have no bearing on the creditworthiness of the Fund. Any such action by a broker or other counterparty could lead to a margin call on the Fund or result in the Fund having to sell assets at a time when the Fund would not otherwise choose to do so. If the Fund does not meet a margin call in accordance with the relevant financing agreement, the broker or other counterparty may declare the Fund in default and liquidate the Fund’s assets held by the broker or other counterparty.

The investment strategies we employ depend heavily on the availability of credit in order to permit the financing of Fund portfolios. The credit available to the Funds could be dramatically reduced for a significant length of time due to a variety of circumstances. A Fund’s inability to access secured and/or unsecured financing facilities and markets could significantly impact

its performance. Any or all of these situations could arise due to circumstances that we may be unable to control.

Counterparty and Custody Risk

Under certain circumstances, there may be material risks associated with enforcing a Fund's rights to its assets in the case of an insolvency of a custodian, bank, prime broker or other parties to which assets were pledged as collateral. Significant losses that were incurred by many investors in 2008 in relation to the bankruptcy and/or administration of Lehman Brothers Holdings and its affiliates illustrate the risks incurred in both derivatives trading and custody/brokerage arrangements. There is no certainty that, in the event of a failure of a bank or broker-dealer that has custody of a Fund's assets, the Fund would not incur losses due to its assets being unavailable for a period of time, or that ultimately it would fully recover its assets, or both.

Short Selling Restrictions

Short-selling has from time to time been the subject of significant regulatory scrutiny globally as well as substantive regulation. Initiatives to increase the regulation of the financial markets are ongoing as a result of the market disruptions which began in mid-2008, and it is not possible to predict whether short-selling may be restricted, perhaps permanently, in a manner materially adverse to certain of the strategies we use.

Changes to the Regulatory Environment

Many of the investments, investment strategies and markets utilized by Garda are subject to numerous laws, rules and regulations originating from multiple jurisdictions. Substantive changes to, or interpretations of, such laws, rules and regulations could have a material adverse effect on Garda's ability to execute its investment strategies.

Cybersecurity

Garda, the Funds, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and Investors, despite the efforts of Garda and its service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the

confidentiality, integrity and availability of information belonging to Investors and/or Funds. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Garda and its service providers, counterparties or data within these systems, potentially resulting in financial loss to the Funds if such actions prevent Garda from effectively managing portfolio risks and performing trading activities. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Garda's systems to disclose sensitive information in order to gain access to Garda's data or that of the Funds and Investors. A successful penetration or circumvention of the security of Garda's systems could result in the loss or theft of an Investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, Garda or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

ITEM 9. DISCIPLINARY INFORMATION

Garda and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an Investor's or a prospective Investor's evaluation of our advisory business, personnel or the integrity of our management.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Garda Capital Partners LP is the investment adviser to the Funds. Garda GP LLC, a Delaware limited liability company, is the general partner of Garda Capital Partners LP.

As further explained in Item 4, Garda Switzerland and Garda Denmark are subsidiaries of Garda Capital Partners LP. Garda Switzerland is registered as an asset manager with the Swiss Financial Market Supervisory Authority ("FINMA") and Garda Denmark is registered as an investment firm with the Danish Financial Services Authority ("FSA"). As Garda Switzerland and Garda Denmark each provide investment advisory services only to Garda Capital Partners LP in connection with its management of the Funds, Garda does not believe that these relationships create a material conflict of interest for the Funds. Registrations with FINMA and FSA do not imply any level of skill or training.

In conjunction with its role as the investment adviser to the Funds, Garda is registered with the U.S. Commodity Futures Trading Commission ("CFTC") as a Commodity Pool Operator ("CPO") and Commodity Trading Adviser ("CTA") and is a member of the National Futures Association ("NFA"). Registration with the CFTC and membership with the NFA do not imply any level of skill or training.

Registered Broker-Dealers

None of Garda or its Partners, managers or other employees is registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Garda, its Partners, and its employees are not affiliated with any broker-dealer.

Selection or Recommendation of Other Advisers

Garda does not recommend or select other investment advisers for the Funds and does not have other business relationships with other advisers that create a material conflict of interest. However, Garda's management of the Funds may be directed in certain countries and markets by subsidiaries of Garda located outside of the United States rather than Garda itself. The Funds do not incur any additional management fees or increased carried interest as a result of its subsidiaries' participation in the management of the Funds.

ITEM 11. CODE OF ETHICS, PARTICPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Garda has adopted a written code of ethics (the “Code”) which establishes a standard of conduct and compliance with federal securities laws required of all Garda partners, officers and employees (collectively, “employees”). The Code contains policies and procedures intended to avoid actual or potential conflicts of interest related to personal trading and other employee activities and incorporates throughout the general fiduciary principle that the interest of the Funds must always be placed ahead of employee’s personal interests or those of Garda or its affiliated entities. Provisions of the Code also prohibit certain actions, including, among other matters, forbidding any employee of Garda from trading, either personally or on behalf of the Funds or others, on material non-public information.

All personal investment activities by employees, certain family members and other accounts in which employees have a financial interest must be conducted in accordance with the requirements of the personal trading policies contained in the Code. Personal trading investment activities may involve the purchase or sale of securities that are similar or the same as securities purchased or sold for the Funds, but are subject to certain guidelines and restrictions intended to minimize potential conflicts with Fund interests. These restrictions include a general prohibition on any personal transaction that would disadvantage, or appear to disadvantage a Fund. This includes, among other restrictions, a specific prohibition on personal transactions in anticipation of a Fund’s order as well as limitations on employee transactions in initial public offerings and limited offering securities.

Garda generally requires written pre-clearance for securities transactions, and Garda may make the determination to not grant preclearance, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper.

As a means to monitor compliance with our policies, the Code requires employees to: (i) report personal securities transactions on at least a quarterly basis; and (ii) provide Garda with a detailed summary of certain holdings, both initially upon commencement of employment and at least annually thereafter, to include all portfolios, accounts or securities over which such employees have control or beneficial interest. Garda’s reporting requirements and restrictions on personal securities trading apply to all employees, as well as to each employee’s immediate family members living in the same household and to other parties to whom the employee provides material financial support.

In addition to the policies and procedures contained within the Code, Garda maintains the following policies and procedures relating to our employees' conduct: Gifts and Entertainment, Political Contributions and Outside Business Activities. The provisions of these additional policies have been implemented in a manner consistent with the principles contained in the Code and are intended to further limit potential conflicts of interests.

Insider Trading

Garda employees may acquire or come into possession of material, non-public confidential information in the course of our business activities or otherwise. Garda prohibits the buying or selling of securities on the basis of, or while in possession of, material non-public information and considers the knowledge of such information by any Garda employee to be held by Garda generally. Transactions in securities whose issuers are the subject of material non-public information that is in our possession are thus prohibited for all Garda employees, whether the transactions are on behalf of Garda, the Funds or the employee's personal trading accounts. As a result, Garda and our employees may not be able to initiate a transaction for a Fund that may otherwise have been initiated, and, further, may be required to maintain a position that otherwise might have been sold, or refrain from acquiring a position that might otherwise have been acquired.

Related Party Security Transactions

Garda Funds may, from time to time, purchase and/or sell investment securities with other Garda Funds or Garda-related parties, unless such transactions are otherwise restricted by the provisions of the Fund's Offering Documents or other governing agreements. Certain of these transactions may be principal trades initiated only when Garda has determined, in good faith, the transaction is beneficial to the Fund, does not favor the interests of Garda or its affiliates over the Fund's interests and is otherwise fair and equitable. Any principal transactions will be effected only in accordance with and as permitted by applicable law and generally require the prior consent of Investors. Whenever possible, Garda will transact a principal trade at, or with reference to, the market price of the securities involved, and may also effect the transaction through a broker-dealer, bank or other third-party market participant. Notwithstanding the foregoing, all principal trades involve conflicts of interest, particularly the conflict between acting in our own best interests and those of the Fund.

Unless otherwise restricted by provisions of the applicable Offering Documents, cross trades may also occur between the Funds where no participating Fund is deemed to be a Garda

proprietary account for principal trade purposes. All principal and cross trades between Funds are subject to Garda's written policies and procedures that govern transactions between Funds and which are intended to ensure that the transaction is in each participating Fund's best interest and does not favor one Fund over another. These policies, in addition to containing other provisions, require the consideration and approval of any Fund to Fund transaction by Garda's Chief Operating Officer, Chief Compliance Officer and Financial Controller. Garda and its affiliates will not receive commissions or other compensation for effecting cross trades between the Funds.

Clients, prospective Clients, as well as Investors or prospective Investors in the Funds may obtain a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

ITEM 12. BROKERAGE PRACTICES

Broker Selection

Garda generally has complete discretion to determine, subject to each Fund's objectives, strategies and contract terms, the assets to be purchased and sold and in what amounts, the counterparties used, and the commission rates and other costs to be paid for such transactions. Fund Investors should anticipate that transactions executed at our discretion will generate a substantial amount of brokerage commissions and other costs, all of which will be borne by the Fund and not by Garda.

Garda selects broker-dealers, banks and other financial intermediaries ("counterparties" or "brokers") that we believe will provide execution in a manner such that the Fund's total cost or proceeds in each transaction is most favorable under the circumstances. In seeking the best available execution for our Funds, we generally consider a variety of factors that may vary significantly from one transaction to the next based on the nature of the exposure or opportunity sought, type of asset traded and the geographic location of the relevant markets. The factors considered may be both quantitative and qualitative, and the brokers or counterparties that Garda determines to be most likely to provide the most favorable outcome for the Fund may not have the lowest available commission costs.

Garda has adopted best execution policies and procedures (the "Best Execution Policy") which set out what Garda considers to be relevant factors in selecting counterparties likely to achieve the most favorable outcome for the Fund. Under the Best Execution Policy, Garda may consider a wide variety of factors including, but not limited to:

- Execution price;
- Costs, including commission;
- The reputation and integrity of the counterparty, including financial strength and stability;
- Likelihood of execution;
- Speed of execution;
- Ability to execute desired volume (size);
- Ability to execute with minimum impact on the market;
- Ability to make a market in a transaction;

- Ability to commit its own capital to facilitate trades;
- Ability and willingness to handle complex transactions;
- Ability to operate in “limited access” markets;
- Other execution capabilities, including confidentiality; and
- The full range and quality of services offered by the counterparty;
 - Quality of research provided;
 - Availability/access to analysts;
 - Access to, or participation in, allocations from limited offerings;
 - Other services such as funding arrangements that benefit Garda’s Funds;
 - The market knowledge of the counterparty as well as knowledge of the specific asset traded;
 - Broad market coverage resulting in information flow regarding bids and offers, news and market activity; and
 - Other considerations relevant to the transaction.

Please note that the list above is representative and should not be considered inclusive of all relevant factors that may be considered in determining the counterparty most likely to provide the most favorable outcome under the circumstances of the transaction.

Additionally, the Funds may trade options, futures and other derivative instruments which can have substantial transaction costs with a limited choice of counterparties.

CME and CBOT Memberships

The Funds may purchase, and in certain cases have purchased, membership interests in the Chicago Mercantile Exchange and the Chicago Board of Trade (collectively, the “Memberships”) when Garda anticipates that the Memberships will allow Funds with sufficient volume in exchange traded derivatives to reduce overall trading costs by clearing transactions at lower clearinghouse commission rates than would otherwise be available. Any Memberships purchased by a Fund are the assets of the Fund and not assets of Garda. As a result, the purchase price and all initial and ongoing costs associated with the Memberships will be borne

by the Fund and there can be no assurance that a Fund that purchases a membership interest will, in fact, realize lower overall transaction costs.

Research and Other Soft Dollars Benefits

Garda receives certain products and services from counterparties in addition to execution services which constitute “brokerage and research services” within the meaning of Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Such services may include proprietary and third party research, general market commentary, economic information, industry and company commentary, general reports, quotations and other market data, discussions with research analysts and meetings with representatives of issuers.

While Garda does not enter into “soft dollar” arrangements with counterparties that require specific transaction or commission levels, the Funds may still bear the costs of these brokerage and research services directly and/or through “soft dollar” commissions which fall under the safe harbor for such services established by Section 28(e). Garda may have an incentive to select a counterparty based on Garda’s interest in receiving brokerage and research services, rather than on our Funds’ interest in receiving the lowest cost commission rate. The selection of counterparties based on any consideration other than the applicable commission rates, including the availability of brokerage and research services, may result in higher transaction costs than would otherwise be obtainable. Garda benefits from these arrangements, because it does not have to produce or pay for the research, products or services. Brokerage and research services obtained by the use of commissions arising from a Fund’s transactions may be used by Garda in its other investment activities or on behalf of other Clients, and a Fund may not directly or indirectly benefit from the brokerage and research services received in consideration of the “soft dollars” generated by the Fund’s transactions.

Directed Brokerage

Garda has discretionary authority to select the brokers or dealers in connection with transactions of the Funds, and Fund investors are not permitted to direct Garda to use a particular broker or dealer to execute portfolio transactions on behalf of the Funds.

Brokerage for Investor Referrals

Garda does not consider, in selecting or recommending counterparties to its Funds, whether it or a related person receives client referrals from a counterparty or third party.

Trade Aggregation

Garda's policies and procedures are implemented with the intent to treat all Funds fairly and equitably over time, although not necessarily identically. When investment decisions in a particular instrument are made contemporaneously on behalf of multiple Funds, executing the decisions as a bunched order has the effect of ensuring that no Fund receives preferential trade execution. When investment mandates are shared by like investment strategies across Funds, Garda will generally aggregate orders for bunched execution of multiple Fund orders so as to be able to eliminate the potential for price discrepancies between Funds. Funds participating in an aggregated order generally will receive the average price of all transactions executed pursuant to the aggregated order. Aggregated orders and the associated transaction costs are generally allocated pro rata among all participating Funds in a manner consistent with each Fund's level of participation in the order.

Garda generally does not aggregate orders when the investment decisions in a particular instrument are not made contemporaneously. Such instances may typically occur in situations where a given security or other investment asset is incidentally traded on behalf of multiple Funds under discrete investment mandates or strategies.

Allocation of Investment Opportunities

In the allocation of investment and trading opportunities among Funds, Garda determines, for each Fund, using our judgment in good faith, as to whether an opportunity is appropriate and in what quantity. We may consider a number of factors in making this determination, including, among others, a Fund's overall investment strategy, existing portfolio composition, the size or amount of the available opportunity, the risks involved and other factors relevant to the Fund and investment opportunity. If Garda determines that an investment opportunity is appropriate for more than one Fund, we will determine the allocation of such opportunity prior to the execution of the order and in a manner that we determine to be fair and equitable over time considering all allocations among such Funds as a whole. In some instances, we may determine that it is in a Fund's best interest not to participate in an investment opportunity, and we are not required to provide every opportunity to every Fund.

Garda has implemented policies and procedures specific to the allocation of investments purchased or redeemed for the Fund that are intended to ensure that each Fund, over time, is treated fairly and equitably with respect to investment opportunities. Garda will typically

consider a number of factors in determining the allocation of investment opportunities to multiple Funds that may include, but are not limited to, the following considerations:

- Minimum transaction size or quantity multiples (odd lots) determined by the nature of the security;
- Changes in underlying capital in participating Funds;
- Existing exposure to the securities, issuer or market of the proposed transaction;
- The different liquidity positions and requirements of the participating Funds;
- Tax considerations;
- Regulatory considerations (e.g., QIB status);
- The relative capitalization and cash availability of the participating Funds;
- The relative risk and VAR profiles of the participating Funds;
- Strategy alignment;
- Portfolio concentration considerations;
- Formal diversification requirements imposed by the respective Fund's constituent documents;
- Borrowing base considerations;
- Different historical and anticipated subscription and redemption patterns;
- Minimum investment criteria;
- Fund ramp up and ramp down periods;
- Investment time horizon;
- Availability of ISDA relationship(s) with a trading counterparty; and
- Availability of prime brokerage or other specialized relationships with a counterparty.

Absent other considerations, pro-rata allocations based on measurable factors such as each Fund's NAV or relative portfolio exposure capacity are the most common method of allocation utilized by Garda and generally viewed as inherently fair.

Trade Errors

In the course of carrying out investing and trading responsibilities on behalf of a Fund, Garda employees may make trading errors — *i.e.*, errors in executing specific trading instructions. Garda will treat all operational or trading errors (including those which result in losses and those which result in gains) as for the account of the Fund, unless they are the result of conduct on the part of Garda employees that does not meet the standard of care set forth in the Offering Documents.

ITEM 13. REVIEW OF ACCOUNTS

For each of Garda's investment strategies, one or more senior members of the portfolio management team is primarily responsible for reviewing Fund accounts and may do so individually or as a group depending upon market conditions or Fund needs. The Senior Portfolio Manager and Portfolio Manager(s) collectively perform the intraday, daily, weekly or monthly reviews of positions, risks and opportunities as they deem appropriate and as market conditions warrant. Such reviews will consider portfolio composition in light of current and anticipated market conditions, including assessments of portfolio performance, exposures and risks as well as potential investment opportunities that are consistent with the Fund's investment objectives. Executive officers of Garda, including Garda's Chief Investment Officer, conduct additional periodic reviews of investment strategies and portfolio exposures for each Fund account with the frequency of such reviews determined by the nature of the strategy being reviewed and market conditions.

In addition to the portfolio management teams responsible for effecting investment strategies on behalf of Fund accounts, Garda has dedicated risk management staff responsible for risk management systems, measurements and controls as well as conducting daily risk and exposure reviews of Fund accounts. The reviews performed consider systemic, portfolio level and position-specific risks and include exception testing against internally established risk thresholds and portfolio limits. Garda utilizes both proprietary and commercially-licensed computer systems and information services to assist in monitoring, analyzing and managing the risks inherent in the Funds' investments. Garda may modify any of its risk management techniques or applicable risk thresholds or limits at any time.

In addition to the reviews undertaken by Garda, each Fund has an independent administrator which reviews security valuations on a monthly basis and reconciles positions and cash details directly with Fund custodians on a daily basis. Garda has also engaged an independent public accounting firm to conduct annual audits of the Funds and, as part of the annual audit process, the accounting firm independently verifies security prices and positions in the Funds, and confirms the Funds' ownership of investment assets.

The Funds typically provide investors with weekly fund performance estimates, unaudited monthly performance reports, audited annual fund financial statements, and, for U.S. Funds, tax information related to their investments in the Fund for U.S. federal income tax purposes.

Although the Funds provide information that may be used by Investors for tax purposes, Garda does not provide legal or tax advice. Investors should consult their legal and tax advisors before making any investment decisions.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Garda does not use outside solicitors for Client referrals, and we are not a party to any solicitation agreement whereby Garda or any Fund directly or indirectly compensates a third-party for the referral of potential Investors. Garda may choose to use outside solicitors for Client or Investor referrals and/or enter into solicitation agreements in the future without notice or consent of our Clients. If any Investor will be directly subject to placement and/or referral fees to persons who introduce them to Garda, any such fees will be disclosed to the Investor prior to its making an investment.

Garda may, from time to time, participate in conferences, programs and other capital introduction services sponsored by brokerage firms or banks that provide custodial, financing or execution services to the Funds. These conferences and capital introduction programs are generally incidental to other brokerage related services and may be a means by which Garda can be introduced to qualified institutions that are potential Investors in the Funds. While these types of introductory services provided by a brokerage firm or bank may influence us in evaluating whether to use the brokerage firm or bank in connection with transaction execution, financing, custody or other activities of the Funds, neither Garda nor the Funds compensates brokerage firms directly or through any "soft dollar" execution arrangements for introduction services.

ITEM 15. CUSTODY

Garda does not serve as the qualified custodian of any of the assets owned by the Funds and does not have possession or maintain physical custody of any securities or cash owned by the Funds. Garda is, however, deemed to have custody of the cash and investment securities held by the Funds because of the breadth of authority delegated to it under the terms of the advisory agreements in place between Garda and the Funds.

The Funds' cash and investment securities are held with qualified custodians, and each Fund receives at least quarterly statements from the qualified custodians. The Funds' Investors do not receive account statements from the Funds' custodians; rather, the Funds are subject to an annual audit conducted by an independent public accounting firm that is registered and examined by the Public Company Accounting Oversight Board. The audited financial statements are distributed to each Fund Investor within the applicable required timeframe of each respective Fund's fiscal year end, which in no instance will be more than 120 days. The Funds' Investors also receive account statements from the relevant Fund's administrator on either a monthly or quarterly basis that include the Fund's estimated performance and NAV after the end of each reporting period. Investors should carefully review all account statements and other communications they receive from the Fund's administrator.

ITEM 16. INVESTMENT DISCRETION

Garda exercises discretionary authority in managing the investments of each Fund based on each Fund's particular investment objectives, policies and strategies disclosed in its Offering Documents. Discretionary authority over the Funds is defined by the provisions of the Advisory Agreements between Garda and each Fund.

ITEM 17. VOTING CLIENT SECURITIES

Garda has adopted written proxy voting policies and procedures (the "Proxy Voting Policy") applicable to all Clients where we have voting authority for proxy proposals, amendments, consents or resolutions relating to Client securities including, if any, interests in private investments (collectively "proxies"). Under the Proxy Voting Policy, our primary goal is to vote proxies prudently and solely in the best interest of our Clients, without subordinating the Clients' interests to our own.

Garda will vote each Fund's proxies in the manner that it believes is consistent with achieving the Fund's investment objectives. Unless otherwise specified in a written agreement between Garda and the Fund or otherwise set out in the Offering Document, the only factors to be considered in voting proxies are those that would affect the value of Fund assets.

Absent a particular reason to the contrary, it is Garda's practice to generally vote in accordance with the recommendation of the underlying portfolio company's management on routine matters. In the case of non-recurring or extraordinary matters such as a material change in business terms, Garda will consider the vote on a case-by-case basis in accordance with the goals of maximizing the value of the Fund's positions. Garda may also, on occasion, determine to abstain from voting a proxy or a specific proxy item when we conclude that the potential benefit of voting is outweighed by the cost or otherwise believe it is not in the Fund's best interest to vote.

When a Client has authorized Garda to vote proxies on its behalf, Garda will generally not accept instructions from the Client regarding how to vote proxies. Clients and investors in Funds managed by Garda may request a copy of our Proxy Voting Policy, as well as proxy voting records relevant to their account, by contacting us at the address or telephone number listed on the first page of this brochure.

ITEM 18. FINANCIAL INFORMATION

As of the date of this brochure, Garda does not solicit fees more than six months in advance, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding. As such, a balance sheet is not required to be provided.