

**Item 1. Cover Page**

**Tenaron Capital Management LP**

**August 2017**

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**This brochure provides information about the qualifications and business practices of Tenaron Capital Management LP (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 212-951-0595. This information has not been approved or verified by the SEC or by any state securities authority.**

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

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

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**Item 2. Material Changes**

This brochure, dated August 2017 replaces our previous brochure, dated March 2017. This brochure provides the Adviser's new address as referenced on the cover page, as well as updates on regulatory assets under management and material risks when compared to the brochure dated March 2017. The Adviser will update this brochure no less than annually.

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#### **Item 4. Advisory Business**

The Adviser is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations as a registered investment adviser in April 2016. Panayotis (Panos) Korantzopoulos and Lykourgos (Lyco) Tsirakis are the principal owners of the Adviser.

The Adviser provides investment advisory services on a discretionary basis to its clients, which consist of pooled investment vehicles intended for sophisticated and institutional investors (collectively, the “Advisory Clients”), and include Tenaron Capital Partners LP (the “Onshore Fund”) and Tenaron Capital Offshore Fund Ltd. (the “Offshore Fund”), each of which invests substantially all of its assets in Tenaron Capital Master Fund Ltd. (the “Master Fund” and collectively with the Onshore Fund and the Offshore Fund, the “Funds”).

Interests in the Funds are sold exclusively to investors that are “qualified purchasers” as defined in the Investment Company Act of 1940 (the “Investment Company Act”).

The Adviser provides advice to Advisory Clients based on specific investment objectives and strategies described in the offering memorandum of a Fund. The Adviser does not tailor advisory services to the individual needs of an Advisory Client, and Advisory Clients may not impose restrictions on investing in certain securities and other financial instruments or certain types of securities and other financial instruments.

As of June 30, 2017, the Adviser managed Regulatory Assets under Management (“RAUM”) of approximately \$20,165,404,817 on a discretionary basis.

## Item 5. Fees and Compensation

*Asset-Based Compensation.* The Funds pay an asset-based fee each quarter in advance in an amount ranging from 1.0% to 2.0% per annum based on the value of the net assets of the respective Fund on the first day of the quarter (the "Asset-Based Compensation"). If an investor invests during a quarter or makes an additional subscription during a quarter, the Asset-Based Compensation is charged as of the effective date of such subscription based on the value of the assets as of the applicable date and is prorated for the number of days remaining in the quarter. The Asset-Based Compensation may be waived or modified for investors that are members, employees or affiliates of the Adviser or Tenaron Capital GP LLC, an affiliate of the Adviser (the "General Partner"), relatives of such persons, and for certain large or strategic investors.

*Performance-Based Compensation.* The Funds pay an annual performance-based compensation (the "Performance-Based Compensation"), which is compensation that is based on a share of net capital appreciation of the assets of a Fund. The Performance-Based Compensation rate is equal to 20% and is subject to a loss carryforward provision. The Performance-Based Compensation may be waived or modified for investors that are members, employees or affiliates of the Adviser or the General Partner, relatives of such persons, and for certain large or strategic investors.

The Asset-Based Compensation for the Funds will be paid pursuant to instructions to the Master Fund's custodian to deduct it from the Master Fund's account. These fees are not negotiable.

The Adviser intends to deliver this brochure only to "qualified purchasers" as defined in Section 2(a)(51)(A) of the Investment Company Act; and therefore, is not required to disclose its Funds' fee schedules.

In addition to bearing the Asset-Based Compensation and Performance-Based Compensation, if any, the Funds are also subject to other investment expenses such as legal, compliance (including expenses relating to compliance or regulatory filings, including Form PF, Section 13 and Section 16 filings, made with respect to the Funds' assets), administrator, audit and accounting expenses (including third-party accounting services and accounting software); shareholder proxy voting services; organizational expenses; investment expenses such as commissions, research fees and expenses; trading-related technology software costs deemed by the Adviser to benefit the Funds such as portfolio, order and risk management systems; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs (including D&O and E&O costs for the Adviser, the General Partner and outside directors of a Fund); directors' fees and expenses; a Fund's pro rata share of the expenses of the Master Fund (which may include expenses of a Fund and other feeder vehicles that invest in the Master Fund); and any other expenses reasonably related to the purchase, sale or transmittal of Fund assets.

The allocation of expenses by the Adviser between it and any Advisory Client and among Advisory Clients represents a conflict of interest for the Adviser. The Adviser has adopted an expense allocation policy that is designed to address this conflict. The Adviser allocates expenses to each Advisory Client in accordance with the Adviser's expense allocation policies and procedures, as well as each Advisory Client's governing documents. The Adviser seeks to allocate shared expenses for products and services benefitting the Adviser and the Advisory Client in a fair and reasonable manner.

As referenced above, the Advisory Clients are required to pay the Asset-Based Compensation in advance each quarter. Pre-paid fees charged to the Funds are refunded based on the number of days remaining in the quarter if a withdrawal or redemption (as applicable) is made before the end of a quarter. More detailed information regarding the fees and expenses paid by Advisory Clients may be found in the governing documents of each Advisory Client.

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

As noted above in Item 5, the General Partner, an affiliate of the Adviser, is entitled to receive Performance-Based Compensation by the Funds. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. Such Performance-Based Compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such Performance-Based Compensation arrangements. However, the Adviser is committed to fulfilling its fiduciary duty to its Advisory Clients to act at all times in their best interest.

**Item 7. Types of Clients**

The Adviser provides portfolio management services to the Funds that are exempt from registration under the Investment Company Act, which are intended for sophisticated investors. Interests in the Funds are sold exclusively to investors that are “qualified purchasers” as defined in the Investment Company Act.

With respect to the Funds, any initial and additional subscription minimums are disclosed in the offering memorandum for the applicable Fund.

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

**Methods of Analysis and Investment Strategies.** The Adviser seeks to generate long-term sustainable returns through a combination of relative value and macro fixed income strategies, investing primarily in liquid G-7 markets. The Adviser seeks to structure a diversified portfolio, subject to pre-defined concentration, liquidity and stop-loss triggers/limits. This approach attempts to exploit temporary mis-pricings in the capital markets caused by market segmentation, differing investor preferences, temporary structural features and unanticipated market events.

There can be no assurance that the Adviser and its Advisory Clients will achieve their investment objectives or that investment strategies employed by the Adviser will be successful. The Adviser's investment program, including the below-referenced strategies and methods, is speculative and entails substantial risks, including risk of loss of the entire investment, a risk which the investors should be prepared to bear.

No risk control system is fail-safe, and no assurance can be given that any risk control framework employed by the Adviser will achieve its objective. Target risk limits developed by the Adviser may be based upon historical trading patterns for the securities and financial instruments in which the Advisory Clients invests. No assurance can be given that such historical trading patterns will accurately predict future trading patterns.

The Adviser employs the following investment strategies:

*Cash/Futures.* Cash/futures trading, also referred to as basis trading, includes the purchase or sale of a deliverable security and an opposite position in the underlying futures. This strategy generates profits if the price relationship widens when one is long cash/short futures or narrows when one is short cash/long futures. Many factors, such as yield curve changes, short-term interest rate changes, volatility changes and market level changes affect the basis.

*Government Bond Relative Value.* A shorter-term trading strategy involving the purchase or sale of government bonds versus either government bonds within the same yield curve or within a different yield curve. This strategy is very turnover oriented and very liquid.

*Arbitrage Transactions.* The Adviser engages in one or more types of arbitrage strategies. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in other forms. The Adviser engages in fixed income or interest rate arbitrage.

*Yield Curve Trading.* Changes in the slope of a yield curve rarely occur continuously along the curve, resulting in a somewhat uneven yield curve. As time passes, investors looking to optimize their risk/return patterns will buy securities at the "cheap" parts and sell securities at the "rich" parts of the curve smoothing out its slope. A butterfly trade is one that combines two offsetting yield curve trades (e.g., buy two years sell five years and sell five years buy ten years) by arbitraging the cheap parts of the yield curve against the rich parts of the yield curve while limiting risk to the overall slope of the yield curve.

*Swap Spread Trading.* The spread between the yield on government bonds and interest rate swaps of similar maturities tend to trade at different levels depending upon a number of factors. Examples of these factors are the amount of government debt issued during a particular period, the activity of corporate bond issuers in the swap market, and the relationship between United States federal funds and LIBOR. The strategy employed is trying to buy government debt and pay fixed on swaps when spreads are narrow and reverse when spreads widen, or vice versa. Alternatively, one can structure swap spread boxes, where one goes long on the spread at one point of the curve and shorts it at another point of the curve. The box trades attempt to profit from a change in the slope of the swap spread curve without expressing an opinion on overall spread narrowing or widening.



*Macro Relative Value.* Trades that involve a particular view on the direction of market. These trades are predominantly short term in nature and are looking to exploit opportunities created by events such as supply cycles or data events or dislocations created by unforeseen events and the resultant stopping out of long held consensus trades. Less frequently, such trades may be used to exploit macro themes that play out over a longer time frame, or may be structured as long gamma positions to truncate or get long the tail risk or where the Adviser feels there is an asymmetric reward relative to risk.

The investment activity that the Adviser conducts on behalf of its Advisory Clients is speculative and volatile and may involve substantial risks. Advisory Clients must be prepared to bear the loss of their entire investment. Below is a discussion of the material risks of significant investment strategies and primary investments of the Funds. For more information about the Fund's risks, please see the governing documents for the Fund.

### ***Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies***

The following summary identifies the material risks related to the Adviser's significant investment strategies and should be carefully evaluated before making an investment with the Adviser; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks. Investors should refer to a Fund's governing documents for a complete understanding of the Adviser's investment strategies and methods of analysis. The information contained herein is a summary only and is qualified in its entirety by such documents.

*Arbitrage Transaction Risks.* If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Adviser is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

*Commodities.* Commodity investments are 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 its commodity investments. Prices of commodity 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 portfolio and the value of its investments. In addition, the value of the Adviser's portfolio may fluctuate as the general level of interest rates fluctuates.

*Fixed Income.* Certain fixed income or other debt securities may be unrated by a recognized credit-rating agency or below investment grade, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Accordingly, these securities tend to be more sensitive to economic conditions and tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which primarily react to fluctuations in the general level of interest rates. Issuers of lower-rated debt securities are often highly-leveraged and may not have access to more traditional methods of financing. Furthermore, trading in these types of securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. Moreover, it is likely that an economic downturn could affect the ability of the issuers to repay principal and pay interest thereon resulting in a high potential of default.

*Swaps.* Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. Whether the Adviser's use of swap agreements, if any, will be successful in furthering its investment objective will depend on the Adviser's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. The Funds will bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. It is possible that developments in the swaps market, including potential government regulation, could adversely affect a Fund's ability to terminate existing swap agreements or to realize amounts to be received under such agreements.

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

*Interest Rate Risks.* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities. The Adviser may attempt to minimize exposure to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Adviser will be successful in fully mitigating the impact of interest rate changes.

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

*Leverage.* Performance may be more volatile if the Advisory Clients employ leverage. The Adviser may utilize leverage which results in the Advisory Clients controlling more assets than they have in equity. Leverage increases the Adviser's returns if the Advisory Clients earn greater returns on investments purchased with borrowed funds than the Adviser's cost of borrowing such funds. However, the use of leverage exposes the Adviser to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Adviser 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 Adviser's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Adviser's assets, the Adviser 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 Advisory Clients. In such event, the Adviser 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.

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

*Counterparty Risk.* To the extent that the Adviser invests in swaps, "synthetic" or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Adviser takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, 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.

*Brokerage and Custodial Risk.* There are risks involved in dealing with the custodians or prime brokers that settle the Adviser's trades. Although the Adviser monitors the prime brokers and believes that they are appropriate custodians, there is no guarantee that the prime brokers, or any other custodian that the Advisory Clients may use from time to time, will not become bankrupt or insolvent. While both the Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in

the event of a failure of a broker-dealer that has custody of Advisory Clients assets, the Advisory Clients would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

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

*Cybersecurity Risk.* The Adviser, and/or one or more of their respective service providers may be prone to operational, information security and related risks resulting from failures of or breaches in cybersecurity. A failure of or breach in cybersecurity ("cyber incidents") refers to both intentional and unintentional events that may cause the relevant party to lose proprietary information, suffer data corruption, or lose operational capacity. In general, cyber incidents can result from deliberate attacks ("cyber-attacks") or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, causing operational disruption, or restricting access to data until a payment is made ("ransomware"). Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users) or gaining access to an internet session and intercepting information between a computer and remote server ("session hijacking" or "man-in-the-middle attacks"). The issuers of securities and/or counterparties to other financial instruments in which the Adviser may invest may also be prone to cyber incidents. Cyber incidents may cause disruption and impact business operations, potentially resulting in financial losses, interference with the ability to calculate the Advisory Clients' net asset value, impediments to trading, the inability to make a subscription for or redeem, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. While the Adviser and its respective affiliates have established business continuity plans in the event of, and risk management strategies, systems, policies and procedures to prevent, cyber incidents, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. Furthermore, the Adviser, Advisory Clients and their respective affiliates can control the cybersecurity plans, strategies, systems, policies and procedures put in place by other service providers to the Adviser, Advisory Clients and/or the issuers in which the Adviser or Advisory Clients' invests.

***Risks Associated with Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks)***

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

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

*Commodity Futures and Options.* Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a pooled investment vehicle engaging in commodity futures trading. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to such a pooled investment vehicle. Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

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

*Fixed-Income and Debt Securities.* Investment in fixed-income and debt securities subject an Advisory Client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. The Adviser may also invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Most fixed income instruments trade in over-the-counter transactions and lack the benefit of transparent exchange pricing. Bid and asks for these instruments are generally wider than equity securities, and trading is less frequent. These factors may cause distortions and/or volatility in the prices of fixed income-related instruments. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Currency Risks.* The investments of the Advisory Clients 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 Advisory Clients may also invest in currencies for speculative purposes.

**Item 9. Disciplinary Information**

This Item is not applicable.

#### **Item 10. Other Financial Industry Activities and Affiliations**

The Adviser is registered with the U.S. Commodity Futures Trading Commission as a commodity pool operator and is a member of the National Futures Association. In connection with the Adviser's registration as a commodity pool operator, certain of the Adviser's management persons are registered associated persons and/or principals of the Adviser.

Each of the Funds for which the Adviser or its related person serves as general partner or investment manager has and may enter into agreements, or "side letters," with certain prospective or existing limited partners or shareholders whereby such limited partners or shareholders, including such persons that may be affiliated with the Adviser or its related persons, may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the Fund. For example, such terms and conditions may provide for special rights to make future investments in a Fund, other investment vehicles or managed accounts; special redemption rights, including those relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the limited partner or shareholder and/or other terms; rights to receive reports from a Fund on a more frequent basis or that include information not provided to other limited partners or shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by a Fund and such limited partners or shareholders. The modifications are solely at the discretion of the Fund and may, among other things, be based on the size of the limited partner's or shareholder's investment in a Fund or affiliated investment entity, an agreement by a limited partner or shareholder to maintain such investment in a Fund for a significant period of time, or other similar commitment by a limited partner or shareholder to a Fund.

The Adviser has entered into agreements with a certain strategic investor in the Funds pursuant to which such investor receives portions of the Asset-Based Compensation and Performance-Based Compensation otherwise payable to the Adviser or its related person.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its supervised persons to put the interests of the Adviser's Advisory Clients before their own interests and to act honestly and fairly in all respects in their dealings with Advisory Clients. In addition to compliance with the Adviser's policies and procedures, all of the Adviser's personnel are required to comply with applicable federal securities laws. Advisory Clients or prospective Advisory Clients may obtain a copy of the Code by contacting Tom Yau (Chief Financial Officer and Chief Compliance Officer). See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser's supervised persons.

The Adviser and its supervised persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment, which includes quarterly disclosure of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Chief Compliance Officer or his designee prior to giving/receiving gifts above a certain de minimis threshold.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Advisory Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is an Advisory Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know and to assure that the Adviser is meeting its obligations to its Advisory Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Advisory Client or using such information for the Advisory Client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Advisory Client for not disclosing such information to the Advisory Client (or the fact that the Adviser possesses such information), or not using such information for the Advisory Client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser requires its supervised persons to preclear all transactions in reportable securities in their personal accounts with the Chief Compliance Officer or his designee, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its Advisory Clients. In addition, the Adviser's Code prohibits the Adviser or its supervised persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer or his designee. All of the Adviser's supervised persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser's supervised persons are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Adviser's supervised persons are required to provide broker confirmations of each transaction in which they engage and quarterly certification of such transactions. The Adviser's supervised persons are also required to provide quarterly brokerage statements. Trading in the personal accounts of the Adviser's supervised persons is reviewed by the Chief Compliance Officer or his designee and compared with transactions for Advisory Client accounts and reviewed against the restricted securities list.

## Item 12. Brokerage Practices

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to, reputation, financial strength and stability, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, research (including economic forecasts, fundamental and technical advice on securities, valuation advice on market analysis); custodial and other services provided for the enhancement of the Adviser's portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; and the operational facilities of the brokers and/or dealers involved (including back office efficiency). In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus an Advisory Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Chief Compliance Officer or his designee evaluates the broker-dealers used by the Adviser to execute Advisory Client trades using the foregoing factors.

The Adviser may receive research or other products or services other than execution from a broker-dealer and/or a third party in connection with Advisory Client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

When the Adviser uses Advisory Client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's Chief Compliance Officer or his designee reviews and evaluates soft dollar practices and determines in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of Advisory Client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for



administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Advisory Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination by the Adviser of the appropriate allocation of “mixed use” products and services creates a potential conflict of interest between the Adviser and Advisory Clients.

The Adviser may purchase or sell the same security for multiple Advisory Clients contemporaneously. It is the Adviser's practice, where appropriate, to aggregate Advisory Client orders for the purchase or sale of the same security submitted contemporaneously. Such aggregation may enable the Adviser to obtain for Advisory Clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. To the extent an order is price-averaged, an Advisory Client account participating in the trade may pay a higher price than if the Adviser did not aggregate the order. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair to Advisory Clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Advisory Clients.

**Item 13. Review of Accounts**

Each Advisory Client account is reviewed by the portfolio managers of the Adviser on an ongoing basis to determine whether securities positions should be maintained in light of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each Advisory Client account.

Investors in the Funds receive reports from the Advisor pursuant to the terms of each Advisory Client's offering memorandum or as otherwise described in the offering document of the Fund.

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

This Item is not applicable.

**Item 15. Custody**

Each Fund is a pooled investment vehicle, and custody of such Fund's assets is maintained in compliance with applicable rules and regulations set forth in the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Where required, cash and securities are maintained at a financial institution meeting the definition of qualified custodian under the Advisers Act. In addition, the financial statements of each Fund are audited by a nationally-recognized Public Company Accounting Oversight Board (PCAOB)-registered independent auditor and the financial statements are sent to investors within 120 days of the applicable fiscal year-end of the respective Fund.

## Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to Advisory Clients. Prior to assuming full discretion in managing an Advisory Client's assets, the Adviser enters 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 Advisory Client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the Advisory Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines), and (ii) the amount of securities to be purchased or sold for the Advisory Client account. Because of the differences in Advisory Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Advisory Clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among clients: (i) an Advisory Client's investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on an Advisory Client's portfolio by the Advisory Client or by applicable law; (iv) size of the Advisory 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 Advisory 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 the Adviser to allocate securities to Advisory Client accounts in varying amounts. Even Advisory Client accounts that are 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.

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 occur, the Adviser's error correction procedure is to ensure that Advisory Clients are treated fairly. The Adviser has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy. In the event that an Advisory Client account incurs a trade error as a result of the Adviser's gross negligence, willful misconduct or violation of the standard of care that is applicable to the Advisory Client account, the Adviser will reimburse the Advisory Client. Trade errors that do not result from the Adviser's gross negligence, willful misconduct or other standard of care applicable to the Advisory Client account are borne by the Advisory Client account.

**Item 17. Voting Client Securities**

To the extent the Adviser has been delegated proxy voting authority on behalf of its Advisory Clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to Advisory Client securities, such proxies are voted in the best interests of its Advisory Client. The Adviser will determine whether a proposal is in the best interests of the Advisory Client and may take into account the following factors, among others: (i) whether the proposal was recommended by management and the Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

Advisory Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted an Advisory Client's proxies by contacting Tom Yau, the Chief Financial Officer and Chief Compliance Officer of the Adviser.

**Item 18. Financial Information**

This Item is not applicable.

**Item 19. Requirements for State-Registered Advisers**

This Item is not applicable.