

Item 1. Cover Page

Tenaron Capital Management LP

March 2018

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.

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 March 2018 replaces our previous brochure, dated August 2017. This brochure provides updates on the Adviser's regulatory assets under management, disclosures relating to brokerage practices, investment discretion and material risks when compared to the brochure dated August 2017. The Adviser will update this brochure no less than annually.

Item 3. Table of Contents

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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”).

Generally, interests in the Master Fund and Onshore Fund are sold exclusively to investors that are “qualified purchasers” as defined in the Investment Company Act of 1940 (the “Investment Company Act”) and shares in the Offshore Fund are sold exclusively to investors that are either “qualified purchasers” as defined in the Investment Company Act or non-U.S. Persons within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended.

The Adviser provides advice to Advisory Clients based on specific investment objectives and strategies described in the offering memorandum of the Onshore Fund and the Offshore 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 December 31, 2017, the Adviser managed Regulatory Assets under Management (“RAUM”) of approximately \$39,418,021,000 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 months 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 or non-U.S. Persons within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended; and therefore, is not required to disclose its Funds' fee schedules.

Other Expenses. 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.

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, initial and any 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 mispricings 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.

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 Funds' risks, please see the offering memorandum for the Funds.

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.

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.

Derivatives. Derivatives provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment in much the same way that incurring indebtedness would. Many derivatives provide exposure to potential gain or loss from a change in the market price of an asset, security or instrument (or a basket or index) or other event or circumstance in a notional amount that greatly exceeds the amount of cash or assets required to establish or maintain the derivative contract. Accordingly, relatively small price movements in the underlying asset, security or instrument or other events or circumstances may result in immediate and substantial losses to the Adviser. Many derivatives, particularly those negotiated over-the-counter, are substantially illiquid or could become illiquid under certain market conditions. As a result, it may be difficult or impossible to determine the fair value of the Adviser's interest in such contracts.

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

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 Adviser 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 an Adviser's ability to terminate existing swap agreements or to realize amounts to be received under such agreements.

Repurchase and Reverse Repurchase Agreements. The Adviser may enter into repurchase and reverse repurchase agreements. When the Adviser enters into a repurchase agreement, the Adviser "sells" securities to a broker-dealer or financial institution, and agrees to repurchase such securities for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Adviser "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Adviser, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Adviser involves certain risks including that the seller under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities. Disposing of the security in such cases may involve costs to the Adviser.

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

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 Advisory Clients 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.

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.

Lack of Diversification. The Advisory Clients' portfolio may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, the Advisory Clients' portfolio 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.

The actual amount of leverage utilized by the Fund, which may be very significant and may vary over time, shall be determined by the Adviser in its discretion (subject to any credit limitations imposed by financial institutions or counterparties).

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, the Advisory Clients' portfolio 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 custodians, and believes that they are appropriate custodians, there is no guarantee that the prime brokers and custodians, 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 to 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, none of 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 or counterparties of the Adviser, Advisory Clients and/or the issuers in which the Adviser or Advisory Clients’ invests.

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 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 the Adviser, on behalf of the Funds and such limited partners or shareholders. The modifications are solely at the discretion of the Adviser 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 a 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. Investors or prospective investors may obtain a copy of the Code by contacting Tom Yau, the Chief Financial Officer and Chief Compliance Officer of the Adviser. 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 and 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 certain issuers. 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 Clients' 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 Clients' 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. The Adviser's Code also imposes limits on the frequency of trades and the holding period of securities. 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 or notice 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. Typically, this is done through the Adviser's electronic personal securities transaction platform. 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 Clients and reviewed against the restricted securities list.

Item 12. Brokerage Practices

The Adviser will seek best execution when placing trades for Advisory Clients. While a primary criterion for all transactions in portfolio securities is the execution of orders at the most favorable net price, numerous additional factors may be considered when arranging for the purchase and sale of Advisory Clients' portfolio securities. These include restrictions imposed by the federal securities laws and the allocation of brokerage in return for certain services and materials described below.

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, execution price and commission rates, timeliness and confidentiality in execution, frequency of trade errors, access to markets, ability to provide liquidity, financial stability and reputation, trading expertise, value and quality of research, ability to provide repo balance sheet, overall responsiveness to needs, and trade support and 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.

Further, the Adviser implemented a broker approval process that includes, but is not limited to, a review of certain documentation demonstrating the financial and regulatory status of the broker. The Adviser also maintains an approved brokers list which is reviewed by the Adviser's Risk Committee on a regular basis.

The Adviser does not benefit from any soft dollar arrangements and has no current plans to implement any such arrangements. However, should the needs of the business change, the Adviser could use broker-provided research and brokerage services and products which assist it in carrying out its investment decision making responsibilities. The Adviser intends to comply with Section 28(e) of the Securities Exchange Act of 1934 in connection with its use of soft dollars "research" and "brokerage" services as permitted under safe harbor.

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 13. Review of Accounts

Each Advisory Client account (i.e., each Fund account) is reviewed by the Chief Compliance Officer, with the assistance of the portfolio managers, if necessary, on periodic basis to determine whether the account is being managed in a manner that is consistent with the Advisory Clients' investment objectives, strategy, guidelines and/or restrictions. Currently, the Advisor does not manage any separately managed accounts.

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 its Advisory Clients. Prior to assuming full discretion in managing an Advisory Clients' 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.

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.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted an Advisory Clients' 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.