

Form ADV Part 2A: Firm Brochure

October 30, 2017

Orchard Global Asset Management LLP

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Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Orchard Global Asset Management LLP. If you have any questions about the contents of this brochure, please contact us at info@orchardgroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Orchard Global Asset Management LLP also is available on the SEC's website at www.adviserinfo.sec.gov.

2. Material Changes

There have been no material changes since the initial filing of the Form ADV Part 2A in March 2017.

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4. Advisory Business

Orchard Global Asset Management LLP (“Orchard” or “we”) is an investment advisory services firm which will specialize in investment management for clients that are commingled private investment funds.

Orchard is a limited liability partnership incorporated under the laws of England and Wales on October 20, 2008. The corporate member of Orchard is Orchard Global Services Limited, which is a wholly-owned subsidiary of Orchard Global Capital Group (S) Pte Ltd.

Orchard provides investment advisory on a discretionary basis to commingled private investment funds (each, a “client” and, collectively, the “clients”) that are intended for institutional investors and other sophisticated investors. The funds primarily invest and trade in credit strategies, including financial institution-related special situations opportunities.

Orchard tailors advisory services to the individual needs and specified investment mandate of its advisory clients. The investment management agreements do not require us to tailor our services to the needs of specific underlying investors in the commingled funds. For such funds, we will adhere to the investment strategy set forth in each offering memorandum and the operating documents of the relevant client.

We do not participate in wrap fee programs.

We currently provide certain administrative services to Orchard Global Capital Group (S) Pte Ltd. and manage client assets of approximately \$665,571,103 as of July 31, 2017.

Orchard will continue to provide certain services to affiliated managers that manage private investment funds.

5. Fees and Compensation

Neither Orchard nor any of our partners and other employees or affiliates receives any transaction based compensation for the sale of securities or other investment products.

Management Fees and Performance Compensation

Orchard typically receives compensation from its clients calculated as a percentage of the assets we manage and on performance achieved with respect to each client or specific interests therein, as provided in the governing documents of the relevant client. The governing documents of the clients permit us to negotiate different fees with investors in these clients separately and to waive the fees for certain of our affiliates, employees and accounts managed by them.

Orchard will generally deduct the asset-based fee described above from the client accounts monthly in advance, as provided in the governing documents of the relevant client. Because investors in the clients may not make intra-month withdrawals of their capital and management fees are pro-rated for any periods shorter than a full payment period, investors do not pay a management fee in excess of what they owe for the entire period. Orchard will generally deduct performance-based compensation from the clients’ accounts at the end of each year, or a shorter period coinciding with an earlier date if an investor elects to have its interest in a client liquidated with respect to the elected amount to the extent permitted by the governing documents of the

relevant client. Orchard will also generally deduct performance-based compensation with respect to liquidating investors at the time distributions are made to such investors.

Orchard also receives compensation from its affiliated managers in respect of sub-advisory services.

Expenses

The client bears their own expenses, including management fees and performance compensation; investment expenses (e.g., expenses that, in Orchard's discretion are related to the investment of the client's assets, whether or not such investments are consummated, such as due diligence expenses, expenses relating to short sales, clearing and settlement charges, custodial and depositary fees, bank service fees and interest expenses); professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments); research expenses; administrative expenses (including fees and expenses of the client's administrator and other similar service providers); external legal expenses; external accounting and valuation expenses (including the cost of accounting software packages); audit and tax preparation expenses; costs related to errors and omissions insurance for the Orchard; insurance and fees of the client's board of directors; entity-level taxes; organizational expenses; expenses incurred in connection with the offering and sale of the interests and other similar expenses related to the clients; indemnification expenses; and extraordinary expenses.

If any of the expenses listed above are incurred jointly for the account of more than one client, Orchard will allocate such expenses the applicable clients in proportion to the size of the investment made by each to which such expense relates, or in such other manner as we consider fair and equitable.

For more information on brokerage transactions and costs, please see Section 9: Brokerage Practices.

6. Performance-Based Compensation and Side-by-Side Management

Orchard and its affiliates accept performance-based compensation from every client. Because Orchard and its affiliates manage more than one client account, the potential exists for one client to be favored over another client. In particular, Orchard, its affiliates and their investment personnel have a greater incentive to favor clients that pay Orchard or its affiliates (and indirectly their investment personnel) higher performance-based compensation. In addition, the principals and certain employees of Orchard have personal investments in one or more of the clients, and such investments will not be proportionate among the various clients. Accordingly, Orchard has an incentive to favor clients in which its principals or employees have a greater interest.

Orchard has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple client accounts. In particular, Orchard has adopted investment allocation policies designed to achieve equitable allocation among our clients over time. Specifically, our allocation policy prevents us from taking compensation into account when allocating investment opportunities.

7. Types of Clients

All of our clients are private investment funds. Our clients will on certain exclusions from the definition of "investment company" in the Investment Company Act of 1940, as amended.

Accordingly, none of our funds will be registered as investment companies with the Securities and Exchange Commission.

Our firm will determine in its sole discretion any requirements for entering into an investment advisory contract with a client fund or otherwise opening or maintaining an account, including whether a private fund is large enough to implement its desired investment program. We may, in the future, agree to provide services to separately managed accounts.

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

Orchard primarily invests and trades on behalf of its clients in financial institution-related special situations opportunities. Orchard will seek to invest in event-driven lending opportunities and capital relief-driven transactions through active origination in select markets, determining a transaction structure with the financial institutions, analyzing the credit and collateral structure and actively engaging and monitoring transactions on an ongoing basis until their maturity. As part of this strategy, Orchard may use a number of financial market and contractual instruments in an effort to enhance risk-adjusted return and/or hedge various risks associated with the individual transactions specifically, and a portfolio of such positions more generally. For instance, the clients may originate loans, participate in loans originated by banks and others, or assume credit risk from a financial institution by investing in notes issued by a special purpose vehicle that has in turn sold credit protection under a credit default swap transaction with the financial institution referencing a portfolio of assets of such financial institution (“credit linked notes”) or by entering directly into a credit default swap or a transaction having a similar economic effect referencing the loan portfolio of such financial institution. At the same time, the clients may enter into transactions designed to hedge the credit, currency, interest rate, and/or counterparty risks where feasible and as deemed appropriate.

Orchard seeks to take advantage of lending opportunities that it believes are becoming available as financial institutions withdraw from the loan markets and are thus unable to continue extending credit on the same basis as they had historically. Globally, banks are capital and balance sheet constrained, which Orchard believes creates opportunities for investors, both in respect of banks' existing loan portfolios, as well as for future lending, particularly in more specialised areas such as structured lending. However, access to such opportunities requires expertise in structured lending and sophisticated structuring capabilities as well as access to originating banks and structuring networks with an understanding of how to utilise the combination.

Orchard believes that its contacts with originating banks will ensure that it is shown potential transactions and, where practicable, enter into agreements with originating banks whereby it may be granted access to transactions entered into by such banks. Orchard will seek to utilize its contacts with global banks and other financial institutions sourcing and originating credit opportunities to identify transactions which have the potential to generate superior returns while at the same time focusing on capital preservation across market cycles, often using security and transaction structuring to enhance expected returns. Orchard utilizes its combination of origination, credit and structuring expertise to analyze, diligence and negotiate opportunities presented to it at the same time drawing on its market knowledge and relationships in industry.

Related Risks

Investing in any security involves a risk of loss that clients and investors in our clients must be prepared to bear. Please see below for a detailed explanation of some of the significant risks associated with the investment strategies we will employ.

Examples of potential areas of risk associated with the types of investment strategies in which we engage are:

Debt Securities Generally. It is expected that the clients will invest in private debt securities, loans and other similar instruments. The clients are expected to invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments, including sovereign issuers, may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

The clients are expected to invest in bonds, loans or other fixed income securities, including without limitation "higher yielding" (including non-investment grade) debt securities. Such securities are generally not exchange traded and, as a result, these financial instruments trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. In addition, the clients may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. High yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. High yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing.

Credit Risks. While loans and other assets invested in by the clients will generally be collateralised, the clients may be exposed to losses resulting from default. Therefore, the value of the underlying collateral, the creditworthiness of the borrower or other counterparty and the priority of the lien are each of great importance. Orchard cannot guarantee the adequacy of the protection of the client's interests, including the validity or enforceability of the applicable investment contract and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, Orchard cannot assure that claims may not be asserted that might interfere with enforcement of the clients' rights. In the event of a foreclosure, the clients or affiliates of the clients may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest payable, resulting in a loss to the clients. Any costs or delays involved in the effectuation of a foreclosure of the asset or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

Credit Instruments. The clients take long or short positions in any number of credit instruments including, but not limited to, bonds, loans and credit default swaps on single name or portfolios of issuers. The underlying issuers may be investment grade or non-investment grade. The clients will therefore be subject to credit, liquidity, interest rate and currency risks. Higher-yielding credit instruments may be unsecured, subordinated or have first loss characteristics. Lower rated credit instruments in the higher-yielding sector reflect a greater probability of adverse changes in the financial condition of the issuer or debt class. General economic conditions and lower credit quality may impair the timely payment of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition, evaluating the risk for credit instruments involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. The market for credit is also often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such an economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The clients will invest in asset-backed financial instruments such as residential mortgages, commercial mortgages, consumer receivables and other asset-backed securities. These types of financial instruments are subject not only to the types of risks identified above, but additional risks that include, but are not limited to, pre-payment risk, adverse selection on the part of the seller or originator, and, to the extent they are contained in special purpose entities, legal, withholding tax and entity structural risk.

The clients will also invest in exotic and esoteric financial instruments that include CBOs, CDOs, CLOs, tranches of credit indices and bespoke portfolios of issuers. These instruments typically have substantial embedded leverage, highly volatile returns, no readily available liquid market and are subject to first loss characteristics.

Derivative Instruments. Derivative instruments are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate, or index. Exchange traded or OTC options, swaptions, futures, forwards and swaps and other derivative contracts may be used

by the clients to take a position in a credit market transaction and/or as part of a strategy to reduce exposure to other risks, such as interest rate or currency risk. The clients may also use derivatives for leverage, in which case their use would involve leveraging risk. The clients' use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described herein. The clients may be long or short an underlying reference asset or group of assets via a derivative transaction. Derivative transactions may magnify through leverage or other structural characteristics, by many times, the exposure of the clients to changes in underlying reference asset prices. Derivative transactions may expose the clients to unlimited losses due to changes in the underlying reference asset prices. These losses may consume the entire capital base of the clients and force their liquidation in bankruptcy. In addition, sudden adverse mark-to-market changes in the value of collateralized derivative transactions may exceed the capital base or available liquidity of the clients, thereby forcing its untimely liquidation. The most significant factor in the performance of derivative transactions is the change in the underlying reference asset price, specific interest rate, currency or other factors that determine the amounts of payments due to and from the clients. If a derivative transaction

calls for payments by the clients, the clients must be prepared to make such payments when due. In addition, derivative instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the clients due to unusual trading volume, political intervention or other factors. The imposition of governmental authorities might also limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of the clients. Market illiquidity or disruption could result in major losses to the clients.

Use of Options. The clients will buy or sell (write) both call options and put options, and when it writes options, it may do so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The clients' option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the clients have the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions the clients may enter into, the principal risks involved in options trading can be described as follows: when a client buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the client's investment in the option (including commissions). The client could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (e.g., by buying the securities or buying calls on them) in securities for which it holds put options.

When the client sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. Theoretically, the risk of loss is unlimited unless the option is “covered”. If it is covered, the client would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the client might suffer as a result of owning the security.

Swaps and certain options and other customized instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

Futures Contracts. The clients may trade futures and futures options for speculative or hedging purposes. The prices of such contracts are highly volatile. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. In addition, futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless Orchard is willing to effect trades at or within the limit. This could prevent the clients from promptly liquidating unfavorable positions and subject the clients to substantial losses.

Fraud. Of paramount concern in investing in loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the clients to perfect or effectuate a lien on the collateral securing the loan. The clients will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the clients may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Lender Liability or Equitable Subordination. Because of the nature of certain of the clients' investment practices, the clients or their affiliates could be subject to allegations of lender liability or “equitable subordination”. Under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the undercapitalisation of a borrower or issuer to the detriment of other creditors of such borrower or issuer; (b) engages in other inequitable conduct to the detriment of such other creditors; (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called “equitable subordination”). The clients do not intend to engage in conduct that would form the basis for a successful cause of action based upon the lender liability or equitable subordination doctrines; however, because of the nature of the debt obligations, the clients or their subsidiaries may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to defaults and foreclosures) occur on loans underlying assets will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, borrowers tend to prepay their loans when prevailing interest rates fall below the interest rates on their outstanding loans. Orchard will account for anticipated prepayment levels in investing in loan assets. However,

increased prepayment levels may negatively impact the total cash realised over the life of the assets and may consequently affect the rate of return on such Investments.

Credit Default Swaps. Credit default swaps can be used to implement Orchard's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, the clients may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the clients to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The clients may also buy credit default protection with respect to a referenced entity if, in Orchard's judgment, there is a high likelihood of credit deterioration. In such instance, the clients will pay a premium regardless of whether there is a credit event.

Bank Loans. A portion of the clients' investments may consist of loans and participations therein originated by banks and other financial institutions. Such loans are typically private corporate loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks or financial institutions. The bank loans to be acquired by the clients may be below investment grade and may not be rated.

The clients may invest directly or through participations in loans with revolving credit features or other commitments or guarantees to lend funds in the future. A failure by the clients to advance requested funds to a borrower could result in claims against the clients and in possible assertions of offsets against amounts previously lent.

The clients may acquire interests in bank loans and other debt obligations either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. A participation interest in a portion of a debt obligation typically results in a contractual relationship with only the institution acting as lender under the credit agreement, not with the borrower. In purchasing participations, the clients generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, and the clients may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the clients will be exposed to the credit risk of both the borrower and the institution selling the participation.

Loan Participations. As a result of the structure of a loan participation transaction, the clients may not have any direct claim against the underlying borrower in such a transaction, and may be subject to potential default risks by both the party from which the clients obtains the participation right and the underlying borrower.

Second Lien Loans. The clients are expected to invest in loans that are secured by a second lien on assets. Second lien loans have been a developed market for a relatively short period of time, and there is limited historical data on the performance of second lien loans in adverse economic circumstances. In addition, second lien loan products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien holders have waived many of the rights of a secured creditor, and some rights of unsecured creditors, including rights in bankruptcy that can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in

insolvency or distressed situations. While uncertainty of recovery in an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products.

The offering memorandum and/or operating agreements for the clients will contain discussions of various risk considerations that are more extensive in scope and depth than the foregoing summary.

9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Orchard's advisory business or the integrity of the Orchard's management.

10. Other Financial Industry Activities and Affiliations

Neither our firm nor any of our management persons is registered, or has an application pending to register, as a broker-dealer or registered representative of a broker-dealer.

The Firm is a commodity pool operator with the CFTC and a member of the National Futures Association, claiming exemptions from certain of the CFTC's disclosure, reporting and record-keeping requirements applicable to registered CPOs pursuant to Rule 4.7 under the United States Commodity Exchange Act, as amended.

Our affiliate OGAM, LP will act as an investment manager or sub-adviser to its clients following registration with the SEC.

Our affiliate Orchard Global Asset Management (S) Pte Ltd has filed as an exempt reporting adviser with the SEC. It acts as investment manager to its clients and is registered with the CFTC as a commodity pool operator and is a member of the National Futures Association. Orchard Global Asset Management (S) Pte Ltd has claimed exemptions from certain of the CFTC's disclosure, reporting and record-keeping requirements applicable to registered CPOs pursuant to Rule 4.7 under the United States Commodity Exchange Act, as amended.

Our affiliates ChapelGate Asset Management Company Limited and ChapelGate General Partner Ltd. act as managers to pooled investment vehicles.

Our affiliate OGAM Ltd. acts as an investment adviser to its clients.

Our affiliates Elegantree Managing Member Ltd., Black Forest General Partner Ltd. and OGAM Tactical (GP) Ltd. act as managers to pooled investment vehicles.

Material Relationships or Arrangements with Industry Participants

Other than its relationship with its affiliates, as described in Item 4.B., Orchard and its management persons do not have material relationships or arrangements with industry participants.

Selection of Other Investment Advisers

Orchard does not recommend or select other investment advisers for the clients.

11. Code of Conduct, Participation or Interest in Client Transactions and Personal Trading

A. Code of Conduct

Orchard has adopted a Code of Conduct that is designed to comply with the requirements of Rule 204A-1 of the Advisers Act. Among other things, the Code of Conduct prohibits employees from engaging in personal securities transactions for many securities. Orchard's employees' personal investment transactions are pre-cleared when necessary and monitored by Orchard's compliance personnel. The Code of Conduct also contains policies and procedures designed to prevent the misuse of material, non-public information. All personnel of Orchard are required to certify their compliance with the Code of Conduct on a periodic basis. Clients or prospective clients may obtain a copy of the Code of Conduct by contacting Orchard at the address or telephone number listed on the first page of the Brochure.

B. Securities in Which You or a Related Person Has a Material Financial Interest

Orchard, its employees, affiliates or their related persons also invest directly in certain of the clients and may decide to invest only in certain clients and not in others. Investors generally will not be provided with notice of principals' or employees' investments in, or withdrawals from, a client. These practices create a conflict of interest because Orchard or related person has an incentive to recommend securities to clients based on its own financial interests, rather than solely the interests of a client.

On occasion, Orchard, on behalf of the clients, will engage in cross trades. If Orchard determines that it is advisable to engage in such a cross trade, Orchard will (i) ensure that the trade is in the respective best interest of the clients involved; (ii) ensure that the transaction is consistent with the duty to obtain best execution; and (iii) rely on Orchard's valuation procedures to determine the appropriate price at which to effect the transaction. Orchard will receive no transaction-based compensation in connection with cross trades (other than incentive allocations and management fees received in the ordinary course of business). To the extent a cross trade may be viewed as a principal transaction due to the ownership interest in a client by Orchard or its personnel, Orchard will either not effect such transactions or comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a client and approved or disapproved by (i) an advisory board comprised of representatives of such investors or (ii) a committee consisting of one or more persons selected by Orchard (or its affiliate), and any valuation approved by such a committee will be determined by an independent third party that has appropriate experience in providing such valuations.

C. Investing in Securities That You or a Related Person Recommends to Clients

The Code of Conduct places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to Orchard on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Orchard, its affiliates and its employees may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of the clients.

D. Conflicts of Interest Created by Contemporaneous Trading

Orchard advises and manages the investments of, and expects that it will in the future advise and manage the investments of, additional clients, including other investment funds, client accounts and proprietary accounts in which the clients will not have any interest (such other clients, funds and accounts, "Other Accounts"). The respective investment programs of the clients and Other Accounts may or may not be substantially similar. It is the policy of Orchard to allocate investment opportunities fairly and equitably over time. This means that such opportunities will

generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations (a) whether the risk-return profile of the proposed investment is consistent with the account's objectives; (b) the potential for the proposed investment to create an imbalance in the account's portfolio; (c) liquidity requirements; (d) potentially adverse tax consequences; (e) regulatory restrictions that would or could limit an account's ability to participate in a proposed investment; and (f) the need to re-size risk in the account's portfolio. While Orchard generally intends to allocate opportunities among the clients and any Other Accounts on a *pari passu* basis, the foregoing considerations may result in allocations among the clients and/or one or more Other Accounts on other than a *pari passu* basis. In certain circumstances, investment opportunities may be allocated solely to the client, fund or account with respect to which the opportunity has been generated.

12. Brokerage Practices

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

Orchard is authorized to determine the broker or dealer to be used for each securities transaction for the clients. Orchard 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. In determining best execution, an investment manager may take into account the full range and quality of a broker's services that benefit an account under management such as brokerage, research and other services. In selecting the counterparties to execute a particular transaction, Orchard uses its best judgment in evaluating the terms of the transaction, and gives consideration to various relevant factors, which generally include financial stability, credit-worthiness, and general reputation of the broker, actual executed price of the security and the broker's commission rates, research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance Orchard's general portfolio management capabilities, size and type of the transaction, difficulty of execution and the ability to handle difficult trades, operational efficiency and facilities of the brokers and/or dealers involved including back office efficiency, ability to handle a block order for securities and distribution capabilities, clearing broker's responsiveness to Orchard and Orchard's ability to negotiate standard agreement terms that adequately protect the clients. Therefore, Orchard may not necessarily negotiate "execution only" commission rates and may "pay up" for research and other services provided by the broker through the commission rate ("soft dollars"). However, since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may result in higher transaction costs than would be otherwise obtainable.

Orchard maintains policies and procedures to review the quality of executions, including periodic review by its investment professionals.

Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use Commissions to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Orchard will limit the use of Commissions to obtain research and brokerage services to services which constitute research and brokerage within the meaning of 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 brokers 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 investment manager 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.

In some instances, Orchard may receive a product or service that may be used only partially for functions within Section 28(e) (*e.g.* an order management system, trade analytical software or proxy services). In such instances, Orchard will make a good faith effort to determine the relative proportion of the product or service used to assist Orchard in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e).

The Chief Compliance Officer, in consultation with legal counsel as necessary, will determine whether a service may be paid with soft dollars. The Chief Compliance Officer will consult with Orchard's traders regarding the capabilities of relevant brokers.

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

Research and brokerage services obtained by the use of commissions arising from the clients' portfolio transactions may be used by Orchard in its other investment activities and thus, the relevant client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. Orchard will not allocate soft dollar benefits to clients proportionately to the soft dollar credits the accounts generate.

Although Orchard will make a good faith determination that the amount of commission rates paid is reasonable in light of the products or services provided by a broker, commissions are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services creates a potential conflict of interest between Orchard and its clients and investors.

Orchard may place transactions with a broker or dealer that (i) provides Orchard (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the clients, if otherwise consistent with seeking best execution; provided Orchard is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

Orchard has complete discretion in deciding what brokers and dealers the clients will use and in negotiating the rates of compensation the clients will pay and will not permit clients to direct brokerage.

B. Aggregation of Orders

If Orchard determines to buy or sell the same security, including interests in a private investment vehicle, on behalf of more than one clients, it may, but shall be under no obligation to, aggregate, to the extent permitted by applicable law and regulations, client orders to achieve more efficient execution or to provide for fair treatment among the clients. Orchard will generally follow the guidelines set forth below in aggregating client orders for securities, including any orders placed for private investment vehicles:

1. No client will be favored over any other client.
2. Each client that participates in an aggregated order will participate at the average share price for all of Orchard's transactions in that security on a given business day and transaction costs will be shared pro rata based on each client's participation in the transaction.

C. Trade Error Policy

In the event that Orchard experiences an error with respect to trades made on behalf of the clients, Orchard will correct such error in accordance with its policies and procedures. The clients will be responsible for any losses resulting from trading errors and similar human errors, absent bad faith, gross negligence, wilful misconduct or fraud.

13. Review of Accounts

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

Orchard performs various daily, weekly, monthly, quarterly and periodic reviews of each client's portfolio. At the overall portfolio composition level for all clients, reviews are conducted by Orchard's Surveillance Group on behalf of Orchard's Risk Management and Control Committee.

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

Since all portfolios are generally reviewed weekly, a special review would only be carried out in the event of an unusual event involving a portfolio security or the economy in general.

C. Content and Frequency of Account Reports to Clients

Orchard will generally provide annual audited financial statements to its clients within 120 days of the applicable client's fiscal year end.

Investors in the clients will generally receive, after the end of each fiscal year of the clients, annual audited financial statements (including a balance sheet, income statement and statement of changes in net assets) for the recently completed fiscal year. Other periodic reports may be provided to investors in a particular client.

14. Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to the Clients

Orchard will not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals

Neither Orchard nor any related person directly or indirectly compensates any person for client referrals. However, Orchard or its affiliates may in the future enter into arrangements with third party placement agents or distributors to solicit investors in the clients and such arrangements will generally provide for the compensation of such persons for their services at Orchard's expense.

15. Custody

Orchard is deemed to have custody of certain client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to these clients are sent by qualified custodians to Orchard.

Orchard is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each client because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each client be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each client distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

16. Investment Discretion

Orchard serves as the investment manager with discretionary trading authority to each client. Orchard's investment decisions and advice with respect to the clients is subject to each client's investment objectives and guidelines, as set forth in its offering documents. Orchard or an affiliate of Orchard will enter into an investment management agreement, or similar agreement, with each client or its general partner, as applicable, pursuant to which Orchard or an affiliate of Orchard will be granted discretionary trading authority.

17. Voting Client Securities

Orchard has adopted written proxy voting guidelines in accordance with Rule 206(4)-6 of the Advisers Act. In voting proxies, it is the general policy of Orchard to consider and vote each proposal with the objective of maximizing long-term investment returns for each client. Orchard's proxy policy addresses a broad range of issues, including, among others, board size and composition, executive compensation, anti-takeover proposals, capital structure proposals and auditor selection and is meant to provide general voting parameters on issues that arise most frequently.

Conflicts of interest may arise between the interests of the clients on the one hand and Orchard or its affiliates on the other hand. If Orchard determines that it may have, or is perceived to have, a conflict of interest when voting proxies, Orchard will vote in accordance with its proxy voting guidelines. The proxy policy may be revised in Orchard's discretion. Clients may obtain a copy

of Orchard's proxy policy and its voting record upon request. Clients may also obtain information from Orchard about how Orchard voted any proxies on behalf of the clients.

18. Financial Information

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