

Part 2A of Form ADV

Firm Brochure

Stone Forest Capital, LLC

February 21, 2018

This brochure provides information about the qualifications and business practices of Stone Forest Capital, LLC (the “Adviser” or “Stone Forest”), 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 212-993-1570. 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 item is not applicable.

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Item 4. Advisory Business

The Adviser, Stone Forest Capital, LLC, a Delaware limited liability company, is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations on September 5, 2014. Bradley M. Lindenbaum is the Chief Executive Officer and Chief Investment Officer of the Adviser.

The Adviser will provide investment advisory services on a discretionary basis to its Clients, which will consist of pooled investment vehicles intended for sophisticated investors and institutional investors. The Adviser currently serves as the investment adviser for Stone Forest Emerging Markets Hedge Fund, LP and Stone Forest Emerging Markets Hedge Fund, Ltd., each of which is a “feeder” fund which invests all or substantially all of its assets through a common master fund, Stone Forest EM Master Fund, L.P., as well as SFC Foresta Fund, LP and SFC Foresta Fund, Ltd., each of which is a “feeder” fund which invests all or substantially all of its assets through a common master fund, SFC Foresta Master Fund, L.P. (each, a “Client” or “Fund”, and collectively, the “Clients” or the “Funds”).

The Adviser will provide advice to the Funds based on specific investment objectives and strategies described in each Fund’s offering memorandum. The Adviser will not tailor advisory services to the individual needs of investors in the Funds (“Fund Investors”), and except for certain very limited situations, Fund Investors may not impose restrictions on investing in certain securities and other financial instruments or certain types of securities and other financial instruments.

As of February 1, 2018, the Adviser had discretionary authority for all of its Clients and has regulatory assets under management of \$ 212,670,153.

Item 5. Fees and Compensation

Asset-Based Management Fee. The fee schedules for the Funds are described in detail in each respective Fund’s offering memorandum. All Funds and Fund Investors are “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”).

As a general matter, the Funds will pay the Adviser an asset-based investment management fee each quarter in advance based on the value of the net assets of the respective Fund on the first day of each quarter and adjusted for contributions or subscriptions and withdrawals or redemptions made during each quarter (the “Management Fee”). The Management Fee is prorated with respect to any limited partnership interests that do not participate in the Funds for the entire quarter.

The Adviser, in its sole discretion, may cause the Management Fee to be paid at the master fund level rather than at the feeder fund level. In such event, Stone Forest Advisers, LLC (the “General Partner”) and the Adviser will be authorized, without the consent of the investors in the Funds, to take such actions as may be required to give effect to such change. Any such change will have no material economic impact on the investors so that the amount of Management Fee received by the Adviser, directly or indirectly in respect of any investor, will not be affected by the change.

The Adviser may, in its sole discretion, waive, reduce or rebate the Management Fee otherwise payable by certain investors, including, but not limited to, its employees, affiliates, the family members of its employees or affiliates, or for any investor, without entitling any other investor to a waiver, rebate or reduction and without notice to or the consent of any other investor.

Performance-Based Compensation. As a general matter, the General Partner also will be entitled to receive annual performance-based compensation (the “Incentive Allocation”) from the Funds, which is compensation that is based on a share of net capital appreciation of the assets of a Fund.

The Incentive Allocation will be taken by the General Partner at the feeder fund level, however the General Partner may determine, based on relevant changes in applicable tax laws or for other reasons as it may determine, to cause the Incentive Allocation to be taken at the master fund level or to make such change in the manner in which the applicable amounts are paid or credited (e.g., the conversion of an

allocation to a fee or vice versa or the payment of such amounts to the Adviser) as the General Partner may determine is appropriate. In such event, the General Partner and the Adviser (if applicable) will be authorized, without any action on the part of the investors, to take such actions as may be required to give effect to such change. Any such change will have no economic impact on the investors so that the amount of the Incentive Allocation or incentive fee borne by each investor will not be affected by the change.

The General Partner or the Adviser, as applicable, may waive, reduce or rebate the Incentive Allocation (or any incentive fee) that would otherwise be imposed on certain investors, including without limitation, its employees, affiliates, the family members of its employees or affiliates, or for any investor, without entitling any other investor to a waiver, rebate or reduction and without notice to or the consent of any other investor.

Expenses. In addition to bearing the Management Fee and Incentive Allocation, if any, the Funds will also be subject to other expenses related to its investments and operations, such as Fund-related legal, compliance, administrator, audit and accounting expenses (including third party accounting, valuation and appraisal services); organizational expenses; investment expenses, including, without limitation: legal, compliance, governmental and regulatory fees, audit, tax, accounting, fees and expenses of the administrator, fees and expenses related to risk services; valuation services; only those research expenses (including professional fees and expenses of consultants) related to legal, compliance, government and regulatory fees, audit, tax and accounting matters; expenses of purchasing, carrying and disposing of portfolio positions such as commissions, borrowing charges on securities sold short, interest on margin accounts and other indebtedness (but only to the extent permitted); prime brokerage fees; custodial fees; clearing costs; exchange fees; insurance costs (including, without any limitation, errors and omissions insurance); brokerage fees and bank charges; extraordinary expenses, if any (e.g., indemnification expense, litigation expenses or damages); and any other expenses related to the purchase, sale or transmittal of Funds' assets.

The allocation of expenses by the Adviser between it and a Fund and among Funds 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 Fund in accordance with the Fund's offering documents. The Adviser seeks to allocate any shared expenses for products and services benefitting multiple Funds or both the Adviser and a Fund, and not covered in the Fund's offering documents, in a fair and reasonable manner.

More detailed information regarding the fees and expenses paid by the Funds may be found in the offering documents of each Fund.

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 in the form of Incentive Allocation by the Funds. 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.

Currently, the Adviser intends to manage assets only for the Funds, and therefore does not anticipate any conflict of interest with respect to managing assets for multiple Clients with different performance-based compensation arrangements. The Adviser will establish order aggregation and allocation policies and processes designed to address the potential conflicts of interest if the Adviser were to manage multiple Client investment accounts with different performance-based compensation arrangements. These policies and procedures are designed to ensure that the Adviser allocates investment opportunities on a fair and equitable basis among its Clients.

Item 7. Types of Clients

The Adviser's Clients consist of the Funds.

Any initial and additional subscription minimums with respect to investment in a Fund are disclosed in the offering memorandum for each Fund.

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

A. Methods of Analysis and Investment Strategies

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations.

The Adviser employs the following investment strategy/strategies:

Equity. The Adviser's equity strategy focuses on a broad range of equity investment styles. Some Client accounts focus on specific ranges on the capitalization scale, from small-cap through mid-cap to large-cap. In addition, the Adviser manages Client accounts that are focused on markets generally considered to be emerging and/or frontier markets or in issuers organized in more developed markets that derive a large portion of their revenues, sales, and/or earnings from emerging and/or frontier markets.

Fundamental Value. The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in equity asset-oriented securities the Adviser believes are undervalued by the market and will revert to some measure of fair value.

Hedging. The Adviser may utilize a variety of financial instruments such as derivatives, options, and equity swaps for profit and risk management purposes. The Adviser may also engage in currency hedging in an effort to mitigate risks posed by making investments denominated in local currencies of the geographic regions in which it invests.

Growth. The Adviser may engage in a capital growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

Relative Value. The Adviser pursues relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. The securities may have no relation to each other.

Short Selling. The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser may make short sales in order to maintain flexibility and for profit. Additionally, the Adviser may make short sales as a form of hedging to offset potential declines in long positions in similar securities.

Leverage. In certain market conditions, the Adviser may utilize leverage which involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

Option Trading. The Adviser may engage in an option trading investment strategy. Options are investments whose ultimate value is determined from the value of the underlying investment.

These methods, strategies and investments involve risk of loss to Clients and Clients must be prepared to bear the loss of their entire investment.

B. 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. Potential clients should review each respective Fund's Private Placement Memorandum for a more detailed discussion of Material Risks.

Equity Securities. It is expected that a significant portion of the investments made by the Funds will consist of equities and equity derivatives. The value of these instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if they invest in equity instruments of issuers whose performance diverges from expectations or if equity markets generally move in a single direction and the Funds are not hedged against such a general move. The price of equity securities and other instruments in which the Funds may invest may be affected by factors affecting securities markets generally, such as real or perceived adverse economic conditions, supply and demand for particular instruments, changes in the general outlook for corporate earnings, interest rates or adverse investor sentiment generally. Even non-directional trading strategies may be exposed to market risk with respect to individual investments or the portfolio as a whole. Failure of a marketplace to function properly for any reason, including outside events affecting the marketplace or market participants, may adversely affect the Funds.

Investing in equity derivatives exposes the Funds to risks that issuers will not fulfill their contractual obligations, such as, for example, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Undervalued/Overvalued Securities. The Funds may make certain speculative investments in securities which the Adviser believes to be misvalued; however, there can be no assurance that the securities purchased and sold will in fact be misvalued. In addition, the Funds may be required to maintain positions in such securities for a substantial period of time before realizing their anticipated value and there is no guarantee that the anticipated value will ever be realized. During this period, a portion of the Funds' capital may be committed to the securities, thus possibly preventing the Funds from investing in other opportunities. In addition, the Funds may finance any such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions may increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers may be more volatile than that of larger issuers. Smaller issuers may have more limited product lines, markets, or financial resources.

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

International Investing. Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) potential lack of uniform accounting, auditing and financial reporting standards; (iii) varying levels of governmental regulation and supervision; and (iv) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. The transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies. The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy.

Short Selling Risk. The Adviser's long/short 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" may 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.

Interest Rate Risks. Generally, the value of dividend yielding equities and fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of dividend yielding equities and fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of dividend yielding equities and fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

Leverage. Performance may be more volatile if a Client's account employs leverage.

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

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short term as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Emerging Markets. There are greater risks associated with investments in securities of issuers located in less developed countries than investments in securities of issuers located in the U.S. and other developed markets. Political risk for many developing countries is a significant factor. During certain social and political circumstances, governments may be involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls. In comparison to more developed markets, trading volumes in emerging markets may be lower, which can result in a lack of liquidity and greater price volatility.

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

Derivatives. Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can

be controlled by the Client or the Adviser. Further, transactions in derivative instruments may not be undertaken on recognized exchanges, and will expose the Client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

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

Forward Contracts. The Adviser may engage in the trading of forward contracts, which are not traded on any exchange. Forward contracts are therefore not guaranteed by any exchange or clearinghouse and are subject to the creditworthiness of the counterparty of the trade. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread. The Adviser may trade forward contracts with only one or a few counterparties, which may create more liquidity problems than if such arrangements were made with numerous counterparties. The risk of market illiquidity or disruption could result in major losses.

These methods, strategies and investments involve risk of loss to the Funds and the Funds must be prepared to bear the loss of their entire investment.

The specifics of the Adviser's investment strategies and research processes are described in greater detail in each Fund's offering documents.

D. Additional Risks Relating to the Adviser

Cybersecurity Risk. The information and technology systems of the Adviser and of key service providers to the Adviser and its Funds may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or the Funds and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

Risk Management Failures. Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of the Funds may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to the Funds.

Systems and Operational Risk. The Adviser relies heavily on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and the Funds could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the Funds' operations. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, the Funds and

their third party service providers are subject to risks associated with a breach in cybersecurity, which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the Client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Item 9. Disciplinary Information

This item is not applicable.

Item 10. Other Financial Industry Activities and Affiliations

Neither the Adviser nor any of the Adviser's management personnel have any relationships or arrangements that pose material conflicts of interest to the business of the Adviser.

While the Funds may trade commodity interests, the Adviser (and its affiliates) are exempt from registration with the Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator pursuant to CFTC Rule 4.13(a)(3).

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

A. Code of Ethics. Pursuant to Rule 204A-1 of the Advisers Act, 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 Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. The Code includes provisions regarding general standards of conduct, as well as a number of specific issues including compliance with federal securities laws; personal trading of securities; private investments by employees; employee outside business activities; and gifts and entertainment. Each of the Adviser's principals and employees must acknowledge their understanding of, and agree to comply with, the Code initially upon employment and affirm on an annual basis that they have read and understand the Code and have complied with it. 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. The Adviser will provide a copy of the Code to Fund Investors or prospective Fund Investors for review upon request. See below for further provisions of the Code as they relate to the pre-clearing 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 prior to giving/receiving gifts above a certain de minimis threshold.

While it is not expected to do so, if the Adviser comes into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of the Funds, the Adviser will be 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 a 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 such information and to assure that the Adviser is meeting its obligations to its 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 Client or using such information for the Client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with

applicable law. The Adviser and its personnel are required to exercise caution in their interaction with employees of sell-side broker-dealers and other persons who may have access to material nonpublic information.

B. Investing in Securities Recommended to Clients. The Adviser or its access persons may not invest in the same single-name security or securities (or related securities) that the Adviser or an access person recommends to Clients. The Adviser or its access persons may not trade in a particular security in a manner that is the same as, different from, or even opposite to the trading activity undertaken by the Adviser on behalf of its Clients with respect to that same security. Such practices present a conflict when, because of the information an Adviser has, the Adviser or its access persons are in a position to trade in a manner that could adversely affect the Adviser's Clients (e.g., place their own trades before or after Client trades are executed in order to benefit from any price movements due to the Clients' trades). In addition to affecting the Adviser's or its access persons' objectivity, these practices by the Adviser or its access persons may also harm Clients by adversely affecting the price at which the Clients' trades are executed. Accordingly, the Adviser requires its access persons to pre-clear all emerging market-based equity, fixed-income, or Exchange-Traded Fund transactions in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its Clients. In addition, the Adviser's Code prohibits the Adviser or its access persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. In addition, employees may not acquire securities for their own account in a private placement without pre-approval from the Chief Compliance Officer. All of the Adviser's access persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser's access 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 access persons are required to provide broker account statements containing each transaction in which they engage. Trading in the personal accounts of the Adviser's access persons is reviewed by the Chief Compliance Officer.

To the extent that the Adviser or a related person or any personnel of the Adviser own securities that the Adviser or its related persons also recommends to Clients, such Clients' proxies will be voted according to predetermined guidelines rather than subject to the Adviser's (or its related person's) discretion. Please refer to Item 17 for further information regarding the Adviser's proxy voting policy and procedures.

The Adviser's access persons may, and currently do, invest in private funds managed by the Adviser and, in certain cases, may, in the aggregate, hold a substantial portion of a private fund's assets. Such investments pose a risk that the Adviser or individuals who are in a position to control the allocation of investment opportunities to the Adviser's Client accounts will favor those private funds in which the Adviser's access persons invest, particularly in the case of limited opportunities (such as initial public offerings and private placements) or other investments that are otherwise subject to limited capacity. The Adviser's procedures require the objective allocation for limited opportunities to ensure fair allocation among accounts. The Adviser's access persons have access to information that is not available to other investors in such private funds.

Item 12. Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions. 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, financial stability of the broker; the 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 the Adviser's general portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; the operational facilities of the brokers and/or dealers involved (including back office efficiency); and the ability to handle a block order for securities and distribution capabilities. 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 a 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 evaluates the broker-dealers used by the Adviser to execute Fund trades using the foregoing factors.

Research and Other Soft Dollar Benefits. The Adviser may receive research or other products or services other than execution from a broker-dealer and/or a third party in connection with Client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)").

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

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

The Adviser may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for Clients.

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

Research and brokerage services obtained by the use of commissions arising from a Client's portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of other the Funds. The Adviser does not to allocate soft dollar benefits to the Funds proportionately to the soft dollar credits the accounts generate. During the Adviser's last fiscal year, as a result of Client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired data services (including services providing real time exchange data, market data, company financial data and economic data), software used to transmit orders, proprietary research reports (including market research), certain financial newsletters, attendance at certain seminars and conferences, discussions with research analysts, meetings with corporate executives, and services related to execution, clearing and

settlement of securities transactions and functions incidental thereto (i.e., connectivity services between the Adviser and a broker-dealer and other relevant parties such as custodians).

In determining whether to direct Client brokerage transactions to particular broker-dealers, the Adviser's Best Execution Committee meets regularly to review and evaluate the soft dollar practices of the Adviser and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The basis for such determination shall be documented. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination by the Adviser of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and Clients.

B. Order Aggregation. The Adviser often purchases or sells the same security for multiple Clients at or near the same time and using the same executing broker. It is the Adviser's practice, subject to local trading market restrictions and where appropriate, to aggregate Client orders for the purchase or sale of the same security at or near the same time with the same executing broker. Such aggregation may enable the Adviser to obtain for Clients a more favorable price or a better commission rate based upon the volume of a particular transaction. However, in cases where the Client has negotiated the commission rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the Client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade. In cases where trading or investment restrictions are placed on a Client's account, the Adviser may be precluded from aggregating that Client's transaction with others. In such a case, the Client may pay a higher commission rate and/or receive less favorable prices than Clients who are able to participate in an aggregated order.

When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. To the extent an order is price-averaged, a Client account participating in the trade may pay a higher price than if the Adviser did not aggregate the order. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair to Clients.

Item 13. Review of Accounts

The Funds' investments are reviewed by the Chief Investment Officer of the Adviser on an ongoing basis. Further, the Adviser's investment personnel meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

Fund Investors will receive periodic performance reports from the Adviser pursuant to the terms of each Fund's offering documents, as well as an annual financial report audited by the Funds' independent auditors.

Item 14. Client Referrals and Other Compensation

The Adviser does not have any arrangements in place to compensate anyone or be compensated for the referral of Clients or Fund Investors.

Item 15. Custody

The Adviser and its affiliate are deemed to have custody of the Funds' assets and intend to comply with Rule 206(4)-2 under the Advisers Act by meeting the conditions of the "Pooled Vehicle Annual Audit Exception". Such Rule requires that each Fund be subject to an annual financial statement audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements will be prepared in accordance with generally accepted accounting principles in the U.S., and will be distributed to each Fund Investor within 120 days of the applicable Fund's fiscal year end.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to Clients. Fund Investors generally do not have the ability to place any limits on the Adviser's authority beyond the limitations set forth in the applicable Fund's offering and governing documents. Prior to assuming full discretion in managing a Client's assets, the Adviser will enter into an investment management agreement or other agreement that will set forth the scope of the Adviser's discretion.

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

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

Securities acquired by the Adviser for its Clients through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those Client accounts eligible to hold such securities. Eligibility will be based on the legal status of the Clients and the Clients' investment objectives and strategies.

The Adviser may effect cross transactions between discretionary Client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two Clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between Client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless Client consent has been obtained based upon written disclosure to the Client of the capacity in which the Adviser or its affiliates will act. The Adviser does not intend to participate in principal transactions generally.

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 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. The Adviser is not responsible for the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by the Adviser.

To the extent the Adviser has authority, pursuant to the investment management agreement or other governing documents of a Client, to participate in class action claims (each, a "Claim") it will do so on a case-by-case basis. Once the Adviser receives a Claim, the Adviser or its designee will determine whether any Clients or former Clients of the Adviser owned the security during the period covered by the Claim. Appropriate personnel of the Adviser or the Adviser's designee will determine whether they agree with the basis of the Claim and whether or not to participate in the Claim depending upon (i) the nature of the Claim; (ii) prospects for recovery; (iii) resources required to pursue the Claim, (iv) other relevant factors pertaining to the particular Claim and (v) any other factors that the Adviser deems relevant.

Item 17. Voting Client Securities

The Adviser has established proxy voting policies and procedures that are designed to ensure that proxies are voted in the best interests of its Clients. The Adviser will determine whether a proposal is in the best interests of the 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.

The Adviser will abstain from voting or affirmatively decide not to vote if the Adviser determines that abstention or not voting is in the best interests of its Clients. In making this determination, the Adviser will consider various factors, including, but not limited to, (i) the costs associated with exercising the proxy (e.g., translation or travel costs); and (ii) any legal restrictions on trading resulting from the exercise of a proxy. The Adviser may determine not to vote proxies relating to securities in which Clients have no position as of the receipt of the proxy (for example, when the Adviser has sold, or has otherwise closed, a Client position after the proxy record date but before the proxy receipt date).

Fund Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a Client's proxies by contacting the Chief Compliance Officer of the Adviser.

Item 18. Financial Information

This Item is not applicable.