

Part 2A of Form ADV
Mondrian Capital Management, LLC
The Brochure

Item 1 - Cover Page

February 3, 2021

Mondrian Capital Management, LLC
437 Madison Avenue, 21st Floor
New York, NY 10022

(646) 863-0080

Mondrian Capital Management, LLC (“Mondrian”, the “Firm”, or the “Adviser”) is a federally registered investment Adviser with the U.S. Securities and Exchange Commission (“SEC”). Being registered as an investment Adviser does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Mondrian and relying adviser Mondrian GP, LLC (“Mondrian GP” and together with Mondrian, the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (646) 863-0080. 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 Mondrian also is available on the SEC’s website at www.Adviserinfo.sec.gov.

Item 2 - Material Changes

This brochure differs from the previous version, dated March 2021, in the following material respects:

- The Firm updated its assets under management in Item 4.

In this item, Mondrian Capital Management, LLC will periodically identify and discuss material updates to the Brochure. This is intended to inform current and prospective clients of important developments that may take place in the Mondrian Capital Management's business practices.

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Item 4 - Advisory Business

- A. The Adviser is a Delaware limited liability company and has its principal place of business located in New York, New York. Both of the Advisers provide discretionary investment advisory services to Mondrian Capital Partners, LP (the “Fund”) and sub-advisory services to one sub-advised account (referred to herein as “Managed Account” and collectively with the Fund, the “Clients”).¹

The Adviser was formed in 2017 by its founder, Tor Minesuk (the “Principal”).

- B. The Adviser seeks to generate superior risk-adjusted returns through investment opportunities globally, both long and short.
- C. While each of its Clients will follow the general strategy stated above, the Adviser may tailor the specific advisory services with respect to each Client based on the particular investment objectives and strategies described in the applicable Client’s (i) confidential offering memorandum or separate account agreement (as applicable) and (ii) governing documents (referred to collectively as “Offering Documents”).

All discussion of the Clients in this Brochure, including but not limited to their investments, the strategies used in managing the Clients, and conflicts of interest faced by the Adviser in connection with the management of the Clients are qualified in their entirety by reference to each Client’s respective Offering Documents.

- D. The Adviser does not participate in wrap fee programs.
- E. As of December 31, 2020, the Adviser manages \$264,301,812 in discretionary assets and \$0 in non-discretionary assets.

¹ As a registered investment Adviser, the Adviser owes a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the “client” of an investment Adviser to a private fund is the fund itself and not an investor in the fund.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to the Fund and Managed Accounts, respectively.

The Fund

Management Fees. The Adviser receives a management fee calculated and payable as of the beginning of each calendar quarter in advance as follows: (A) investors holding founders class interests will pay a Management Fee at the rate of one-quarter (1/4) of 1.75% of the net asset value of each capital account attributable to such investor's founders class interests and (B) investors holding standard class interests will pay a Management Fee at the rate of one-quarter (1/4) of 2.0% of the net asset value of each capital account attributable to such investor's standard class interests.

Performance Allocation. The Adviser is entitled to a performance-based profit allocation at the end of each calendar year equal to (i) twenty percent (20%), based on net profits for standard class interests, and (ii) seventeen and a half percent (17.5%), based on net profits for founders class interests.

Managed Accounts

With respect to the Managed Account, the fees vary from Client to Client and are negotiated with each particular Client. Generally, the Managed Account is subject to management fees and performance-based fees. Management fees can be structured as a fixed fee or as a percentage of overall account value. Performance fees are typically a percentage of the overall performance of the account during a given period of time.

- B. Management Fees and Performance Allocations from the Fund are deducted directly from the Client's capital, where Management fees are payable quarterly in advance, and Performance Allocations are paid at the end of each performance period. With respect to the Managed Account, the Management Fee is payable monthly in advance. Such fees are generally paid by the owners of the applicable accounts and not deducted from the assets of the Managed Account. The Adviser is compensated the Performance Allocations pursuant to advisory agreements that are negotiated with each Managed Account.
- C. Clients will incur brokerage and other transaction costs. Item 12 of this brochure discusses how the Adviser selects brokers and determines the reasonableness of their compensation. The direct expenses borne by each Client are described in more full detail in each Client's Offering Documents.

The Fund generally will be required to bear and reimburse the general partner and the Adviser for all organizational expenses and Fund expenses as related to the Fund. The organizational expenses the Fund is responsible for include costs, fees and expenses

incurred in connection with the formation and organization of the Fund, including but not limited to, legal and accounting fees.

Fund expenses will include, among others, the following fees and expenses: (a) all expenses, incurred in connection with the offer and sale of interests (other than placement agent fees), including, but not limited to, marketing/conference attendance expenses, documentation of performance and the admission of investors, (b) all operating expenses of the Fund such as tax preparation fees (including, without limitation, any such fees related to the preparation of tax returns and Schedule K-1s), governmental fees and taxes (or any other governmental charges levied against the Fund), Fund administrator, custodial and prime brokerage fees and expenses, communications with investors and ongoing legal, accounting, auditing, administration, appraisal, bookkeeping, independent shadow accounting, consulting and other professional fees and expenses, including for litigation, and preparation of the Fund's financial statements and reports, (c) all Fund costs, expenses and charges incurred in connection with the investment and trading activities of the Fund (e.g., brokerage commissions, mark-ups, margin interest, expenses related to short sales, custodial fees, clearing and settlement charges and other transaction costs to brokers), (d) professional and other advisory and consulting expenses (including Advisory Board fees and expenses, if applicable) and travel expenses incurred in connection with investment due diligence, monitoring or the assertion of rights or pursuit of remedies (including, without limitation, pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer), (e) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the Fund, (f) interest on, and fees and expenses arising out of, all borrowings made by the Fund, (g) expenses of any meetings of the investors, (h) the costs of any litigation and indemnification relating to the affairs of the Fund, (i) expenses related to third party research, publications, data and data services, including real time pricing and market information (such as Bloomberg and Reuters services) and historical pricing and other data, order management system, portfolio management system and risk management system and advisory, (j) costs of compliance with applicable laws and regulations of governmental and self-regulatory bodies, including costs incurred by the general partner, the Adviser and their respective affiliates in complying with laws and regulations that apply to any such entities as a result of their services to the Fund, (k) the Fund's expenses associated with forming and maintaining the legal existence of the Fund, including directors' fees, administrators' fees, (l) all fees and expenses of any kind related to the provision of technology for the Fund or for the Adviser, including but not limited to computers, storage, networking and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data, technology associated with research, and/or product testing and remote access, and third party technology providers, (m) costs associated with regulatory filings including but not limited to Form PF, and all costs and expenses relating to filings, registrations and service providers required with respect to placing interests in any jurisdiction, whether such costs or expenses are the obligation of the Fund or the Adviser (such as AIFMD and/or any other applicable regulation or directive), (n) insurance premiums (including, without

limitation, errors and omissions policies, and directors and officers policies) of the general partner, the Adviser and/or the Fund, and (o) all other reasonable expenses related to the management and operation of the Fund and/or the purchase, sale or disposition of the interests, including, in the case of any expenses directly related to the Fund's and one or more of its related Funds' investments, any portion of any such joint expenses that the general partner determines are properly and ratably allocable to the Fund. Except as provided above with respect to special investment account expenses, Fund expenses generally will be shared by all of the investors pro rata in accordance with their capital accounts.

- D. As stated above, Management Fees are deducted directly from the Fund's capital and paid quarterly in advance. The Management Fee is prorated for any period that is less than a full quarter for capital contributions made by new or existing investors, and refunded on a prorated basis upon withdrawal or redemption from a Fund prior to the quarter-end. The Managed Account pays the Adviser monthly compensation draws in advance based on the relevant managed account's percentage of the Adviser's assets under management. Upon the termination of an advisory contract, a managed account shall pay a draw prorated through the end of the foregoing notice period.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.
- F. The Adviser may enter into different fee arrangements on a Client by Client basis and will be negotiated with each Client and described in each respective Client's offering documents.

Item 6 - Performance-Based Fees and Side-By-Side Management

As stated in Item 5 above, the Adviser receives performance-based fees or allocations from certain Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, may create an incentive for an Adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee paying Clients over other Clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future Clients, the Adviser will implement policies and procedures to ensure that all Clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

Item 7 - Types of Clients

As mentioned in Item 4, the Adviser provides investment advisory and sub-advisory services to private investment funds for sophisticated, qualified investors.

The minimum investment in a Fund is generally \$1,000,000, however, the general partner may accept investments in a lesser amount at its sole discretion. Acceptance of separate account management relationships is determined on a case-by-case basis.

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

Investment Strategy Overview and Methods of Analysis

Mondrian's investment strategy is summarized below and detailed in the governing documents for each Client.

The Advisor's investment objective is to produce superior, risk-adjusted returns through fundamental research and a rigorous process that combines qualitative aspects with quantitative signals in analyzing investment opportunities. The Advisor believes in continuously improving its investment process and will attempt to create a "360 degree" feedback loop to identify strength and weakness in its stock picking efficacy. The Advisor believes that it has a superior analytical framework that is repeatable and one that will create consistent outperformance over time. The Advisor will attempt to construct a portfolio that is balanced and one that is sufficiently compensated by the level of risk taken. The Advisor will focus on managing downside risk and will attempt to protect capital in volatile environments. The Adviser has historically focused on global technology, media, telecom, consumer and industrial sectors. The Advisor believes that its proprietary process, disciplined risk management, and over a decade of experience in managing long-short portfolios through many market conditions will help create consistent outperformance on a risk-adjusted basis over time.

Risk of Loss

The Adviser's investment strategy involves a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective investors should carefully review the risks described in the applicable Client's offering documents:

General Economic and Market conditions

The success of the Fund's activities is affected by general economic and market conditions, such as changes in interest rates, availability of credit, inflation rates, economic uncertainty, market volatility, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts, natural disasters or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Volatility and/or illiquidity could impair the Fund's profitability or result in losses. The Fund could incur material losses even if the general partner and/or the Adviser react quickly to difficult market conditions, and there can be no assurance that the Fund will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. investors should realize that markets for the investments in which the Fund seeks to invest can correlate strongly with each other at times or in ways that are difficult for the Adviser to predict. Even a well-

analyzed approach may not protect the Fund from significant losses under certain market conditions.

Business and Regulatory Risks of Private Funds

The financial services industry generally, and the activities of private investment funds and their managers in particular (including hedge funds and other private investment funds), have recently been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Fund's, the general partner's and/or the Adviser's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on the general partner and/or the Adviser, including, without limitation, responding to investigations, implementing new policies, procedures and reporting requirements. Such burdens may divert the general partner's and/or the Adviser's time, attention and resources from portfolio management activities.

The regulatory environment for private funds is evolving, and changes in the regulation of private funds and their managers and activities (including the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act")) may adversely affect the ability of the general partner and the Adviser to manage the Fund or the Fund's ability to successfully pursue their investment strategies and may also affect the value of the Fund's investments. Regulations under the Dodd-Frank Act have added and may continue to add costs to the legal, operational and compliance obligations of the general partner and the Adviser and increase the amount of time that the general partner and the Adviser spend on non-investment-related activities. The European Union ("EU") has approved the Alternative Investment Fund Managers Directive ("AIFMD") which seeks a common EU approach to bringing hedge funds, private equity and other types of alternative funds within the scope of regulatory supervision, and to bringing transparency and stability to the way these funds operate. AIFMD aims to provide, among other things, a framework to monitor systemic risks through regular reporting obligations and enhance public accountability of fund managers holding controlling stakes in companies.

The Dodd Frank Act, AIFMD and other regulations could result in certain investment strategies in which the Fund will engage or may have otherwise engaged becoming non-viable or non-economical. Regulations adopted under these and other regulations could have a material adverse impact on the profit potential of the Fund. These and other regulations could limit the Fund's investment activities and investment opportunities or change the functioning of the financial markets, and there is a possibility of a worldwide economic downturn in the future. Consequently, the general partner and/or the Adviser (as the case may be) may not be capable of, or successful at, preserving the value of the Fund's assets, generating positive investment returns or effectively managing the Fund's risks.

This memorandum cannot address or anticipate every possible current or future regulation that may affect the Fund, the general partner, the Adviser or their respective businesses. Such regulations may have a significant impact on the Fund or the operations of the Fund, including, without limitation, restricting the types of investments the Fund may make,

preventing the Fund from exercising its voting rights with regard to certain financial instruments, requiring the Fund to disclose the identity of its investors or otherwise. Prospective investors are encouraged to consult their own advisors regarding an investment in the Fund.

Potential for Fraud

Although the Adviser may conduct due diligence evaluations and investigations on prospective investments, there is a risk that the Fund will be subject to fraud. Recent discoveries of fraud in the banking and financial services industry highlight the seriousness of this issue. The scope and long-term nature of such frauds is a testament to how difficult fraud is to detect and prevent. There is no assurance the general partner and/or the Adviser will be able to prevent all types of fraud by parties with whom the Fund, the general partner and/or the Adviser transact business.

Terrorist Attacks, War and Natural Disasters

Terrorist activities, anti-terrorist efforts, other armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent the general partner, the Adviser and the Fund from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, other acts of war or hostility and recent natural disasters have created many economic and political uncertainties, which may adversely affect the United States and world financial markets for the short or long-term in ways that cannot presently be predicted.

Potential Public Health Crisis; Covid-19

A public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the recent outbreak of Coronavirus (or Covid-19) in China, the United States and other countries, could have an adverse impact on global, national and local economies, which in turn could negatively impact fund clients. Disruptions to commercial activity relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) may adversely impact a fund client's investments, including by delaying or causing supply chain disruptions or by causing staffing shortages. In addition, the imposition of travel restrictions may impact the ability of the Advisors' personnel to travel in connection with potential or existing investments of a fund client or to the Advisors' offices, which could negatively impact the ability of the Advisors to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of Coronavirus has contributed to, and may continue to contribute to, volatility in financial markets, including changes in interest rates. A continued outbreak may reduce the availability of debt financing to a fund client and potential purchasers of a fund client's investments, which could have material and adverse impact on a fund client's returns. The impact of a public health crisis such as the Coronavirus (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, which presents material uncertainty and risk with respect to a client's performance.

Investment and Trading Risks Generally

All investments risk the loss of capital. No guarantee or representation is made that the Fund's program will be successful. The Fund's investment program involves, without limitation, risks associated with limited diversification, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Fund may, in certain circumstances, substantially increase the impact of adverse market movements to which the Fund may be subject. In addition, the Fund's investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally or in markets where the Fund invests its assets.

The Adviser's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Long/Short Equity

The Fund will pursue a long/short equity strategy. Because a long/short equity strategy involves identifying securities which are generally undervalued (or, in the case of short positions, overvalued) by the marketplace, success of this strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur or may occur over extended time frames which limit profitability. Positions may undergo significant short-term declines and experience considerable price volatility during these periods. In addition, long and short positions may or may not be correlated to each other. If the long and short positions are not correlated, it is possible to have investment losses in both the long and short sides of the portfolio.

Equity Risks

The Fund will invest in equity securities. The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. A risk of investing in the Fund is that the equity securities in its portfolio will decline in value due to factors affecting equity securities markets generally or the sectors in which the Fund will invest. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments,

and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which the Adviser believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Adviser anticipates. As a result, the Fund may lose all or substantially all of its investment in any particular instance.

Small-Cap Stocks

At any given time, the Fund may have investments in small-cap companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they lack the management experience, financial resources, product diversification and competitive strength of larger corporations. In addition, the Fund may be unable to sell certain small-cap stocks at an advantageous time or price. In many instances, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. Also, due to thin trading in some of these stocks, an investment in these stocks may be considered less liquid than an investment in many larger-capitalization stocks, making purchases or sales at desired prices or in desired quantities more difficult. When making large sales, the Fund may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of the securities of smaller companies. Accordingly, such stocks may be required to be held for a lengthy period of time and often require more time to sell and result in higher selling expenses than does the sale of securities for which there is an active market.

Some small companies have limited product lines, distribution channels and financial and managerial resources. Some of the companies in which the Adviser invests may have product lines that have, in whole or in part, only recently been introduced to market or that may still be in the research or development stage. Such companies may also be dependent on personnel (including key personnel) with limited experience.

Foreign Securities

Foreign securities historically have been highly volatile and may involve greater risks than comparable U.S. investments, because of, among other things, instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect investment in foreign securities. Higher expenses also may result from investment in foreign securities than would be the case with domestic securities because of the costs that are incurred in connection with conversions between various currencies and because foreign brokerage commissions may be higher than the United States. Foreign securities markets also may be less liquid, more volatile and less subject to governmental supervision than those in the United States. Investments in foreign countries could be affected by other factors not present in the United

States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Additionally, many countries within the Asian region are considered emerging markets. Investing in emerging markets involves even greater risk than investing in more-developed foreign markets because, among other things, emerging markets often have more political and economic instability. In particular, the escalation of hostility between Taiwan and China could have a significant adverse effect on the Fund's investments in China and may make continued investing in China impossible. Additionally, certain countries such as Korea have historically imposed significant restrictions and controls for foreign investors, which may limit the Fund's ability to invest in certain companies in such countries.

Further, when the Fund buys or sells a security on an Asian market, the transaction is made in the local currency. The value of the Fund's assets denominated in foreign currencies will increase or decrease in response to fluctuations in the value of the foreign currencies relative to the U.S. dollar. Although the Fund may attempt to manage currency exchange rate risks, there is no assurance that the Fund will do so at an appropriate time or that it will be able to predict exchange rates accurately. Some currency prices may be volatile, and there is the possibility of government controls on currency exchange or government intervention in currency markets, which could adversely affect the Fund.

Concentration of Investments

The Fund is not limited in the amount of capital that it may commit to any one investment and, in fact, the Fund will have concentrated positions within its portfolio. Allocation of a large portion of the Fund's capital to one or a small number of investments could increase the risk of investing in the Fund because of the lack of diversification in its portfolio. The concentration of the Fund's portfolio in a limited number of issuers, industries or strategies will subject the Fund to a greater degree of risk with respect to the failure of one or a few issuers or with respect to economic downturns in relation to such industry. The Fund may face similar risks with respect to concentration of investments in a particular country.

Technology and Related Risks

Certain of the companies in which the Fund invests may allocate greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which the Fund invests could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may have inexperienced management, face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many technology companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements, to establish and protect their proprietary rights, which are frequently essential to the growth and profitability of a technology company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Fund invests. Conversely, other companies may make infringement claims against a company in which the Fund invests, which could have a material adverse effect on such company.

The markets in which many technology companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which the Fund invests will successfully penetrate their markets or establish or maintain competitive advantages.

Use of Leverage

The Adviser may use leverage and borrowing. Such leverage may be achieved through, among other methods, borrowing funds, purchases of securities on margin and the use of options, futures, forward contracts, repurchase and reverse repurchase agreements and swaps. The Fund may also borrow or use leverage in its portfolio. The Fund may borrow funds from brokers, banks and other lenders to finance their investing and trading operations, which borrowings may be secured by assets of the Fund. The use of such leverage can, in certain circumstances, maximize the losses to which the Fund's investment portfolios may be subject. Any event that adversely affects the value of an investment would be magnified to the extent that particular assets or the Fund as a whole are leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to the Fund, which would be greater than if the Fund were not leveraged.

Use of Derivatives

The Adviser may use derivative instruments, including without limitation, option contracts, swap agreements and forward contracts, and derivative techniques, including without limitation, synthetic short sales, for various hedging and/or speculative purposes. The use of such instruments and techniques may result in leveraging the assets of the Fund, thereby exposing the Fund to significant risks.

Among other things, the prices of derivative instruments can be highly volatile. Price movements of derivative instruments are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by

regulation, in certain markets, particularly those in currencies, financial futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Uncertainties remain as to how the markets for these instruments will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the derivatives positions held by a trader, thereby causing substantial losses. Many of these instruments are not traded on exchanges but rather through an informal network of banks and dealers who have no obligation to make markets in them and can apply essentially discretionary margin and credit requirements (and thus in effect force a trader to close out its positions).

Options. There are various risks inherent in options trading. For example, the seller (writer) of a covered call option (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security to a level below the purchase price of the security, less the premium received by the writer for writing the option. The writer of a covered call option also gives up the opportunity for gain on the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing the premium invested in the option.

The seller (writer) of a covered put option (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option less the premium received on the put option. The buyer of a put option assumes the risk of losing the premium it paid to purchase the put option. There is an unlimited risk of loss associated with selling options.

The options markets have the authority to prohibit the exercise of particular options, which if imposed when trading in the option has also been halted, would lock holders and writers of that option into their positions until one of the two restrictions has been lifted.

The Adviser also may trade options on futures contracts. Such an option is a right, purchased for a certain price, to either buy or sell the underlying futures contract during a certain period of time for a fixed price. Trading options on futures is speculative and highly leveraged. Specific market movements of the futures contracts underlying an option cannot accurately be predicted. If the Adviser purchases an option, it will be subject to the risk of losing the entire purchase price of the option. On the other hand, if the Adviser writes (sells) an option, it will be subject to the risk of loss resulting from the difference between the amount received for the option and

the price of the futures contract underlying the option which the Adviser must purchase or deliver upon exercise of the option.

Combination Transactions. The Adviser may engage in spreads or other combination options transactions involving the purchase and sale of related options and futures contracts. These transactions are considerably more complex than the purchase or writing of a single option. They involve the risk that executing simultaneously two or more buy or sell orders at the desired prices may be difficult or impossible, the possibility that a loss could be incurred on both sides of a multiple options transaction, and the possibility of significantly increased risk exposure resulting from the hedge against loss inherent in most spread positions being lost as a result of the assignment of an exercise to the short leg of a spread while the long leg remains outstanding. Also, the transaction costs of combination options transactions can be especially significant because separate costs are incurred on each component of the combination.

Straddles. In straddle writing, where the investor writes both a put and a call on the same underlying interest at the same exercise price in exchange for a combined premium on the two writing transactions, the potential risk of loss is unlimited. To the extent the price of the underlying interest is either above or below the exercise price by more than the combined premium, the writer of a straddle will incur a loss when one of the options is exercised. If the writer is assigned an exercise on one option position in the straddle and fails to close out the other position, subsequent fluctuations in the price of the underlying interest could cause the other option to be exercised as well, causing a loss on both writing positions.

Forward Trading. The Adviser may utilize forward contracts and options thereon which, 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 in which the Adviser trades due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Adviser would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could result in major losses to the Fund.

In the forward markets, margin deposits may be even lower than in other markets or may not be required at all. Such low or non-existent margin deposits are indicative

of the fact that any trading in the forward markets typically is accompanied by a high degree of leverage.

Investing in the forward markets typically is accompanied by a high degree of leverage.

Swaps. The Adviser may enter into swap agreements and options on swap agreements (“swaptions”). These agreements can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. The Fund, for instance, may enter into swap agreements with respect to interest rates, credit defaults, currencies, financial instruments, indexes of financial instruments and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease exposure to, for example, equity financial instruments, long-term or short-term interest rates, foreign currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. The Adviser is not limited to any particular form of swap agreement. Whether the Adviser’s use of swap agreements or swaptions will be successful will depend on its ability to select appropriate transactions. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Adviser’s portfolio. Moreover, the Fund will bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Fund will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Fund to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Adviser’s ability to terminate swap transactions or to realize amounts to be received under such transactions.

Hedged and Arbitrage Strategies

The use of “hedged” or arbitrage strategies does not necessarily mean these strategies are relatively low risk. Substantial losses may be recognized on hedge or arbitrage positions, and illiquidity and default on one side of a position can effectively result in the position being transformed into an outright speculation. Every hedge or arbitrage strategy involves exposure to some second order risk of the markets, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the price spread between different classes of stock for the same issuer. The Adviser may employ limited directional strategies which expose the Fund to market risk. Among the risks of arbitrage transactions are that two or more buy or sell orders may not be able to be executed simultaneously at the desired prices, resulting in a loss being incurred on both sides of a multiple trade arbitrage transaction. Also, the transaction costs of arbitrage transactions can be especially significant because separate costs are incurred on each component of the combination. Consequently, a substantial favorable price movement may be required before a profit can be realized.

Short Selling

The Adviser may engage in selling securities and other financial instruments short, which involves the sale of borrowed financial instruments. In order to sell a financial instrument short, the seller must borrow the financial instrument from a lender and deliver it to the buyer. The seller is then obligated to return the financial instrument to the lender at its request (although the seller remains free to return the financial instrument to the lender at any time prior to the lender's request). The seller ordinarily fulfills its obligation to return a financial instrument previously sold short by acquiring it in the open market.

A short sale by the Adviser ordinarily involves a judgment on its part that, subsequent to the sale, the price of the financial instrument will fall over time, resulting in profits equal to the difference between the net proceeds of the sale and the cost of acquiring the financial instrument (or a financial instrument exchangeable for or convertible into such financial instrument) at a later date to fulfill the obligation to return the financial instrument to the lender.

The principal risk in selling a particular financial instrument short is that, contrary to the Adviser's expectation, the price of the financial instrument will rise, resulting in a loss equal to the difference between the cost of acquiring the financial instrument (for return to the lender) and the net proceeds of the short sale. (This risk of loss is theoretically unlimited; since there is theoretically no limit on the price to which the financial instrument sold short may rise.)

Another risk is that the short seller may be forced to unwind a short sale at a disadvantageous time for any number of reasons. For example, a lender may call back a stock at a time the market for such stock is illiquid or additional stock is not available to borrow. In addition, some traders may attempt to profit by making large purchases of a financial instrument that has been sold short. These traders hope that, by driving up the price of the financial instrument through their purchases, they will induce short sellers to seek to minimize their losses by buying the financial instrument in the open market for return to their lenders, thereby driving the price of the financial instrument even higher.

Reliance on Fundamental Analysis

The Adviser may base its trading decisions, in whole or in part, on fundamental analysis. Fundamental trading systems consider factors, such as inflation, trade balances, inventories and interest rates, which do not have an impact on traditional technical trading systems, in an attempt to identify investment opportunities. To the extent that such factors provide mixed or conflicting signals, the fundamental trading systems may not be able to detect and/or accurately predict price trends. There can be no guarantee that the Adviser's fundamental trading systems will enable the Adviser to accurately value the securities in which the Fund invests or that any anticipated price trends will materialize with respect to such investments.

Trading in Non-U.S. Companies and Markets

The Adviser will trade in non-U.S. markets and/or trade in the securities of non-U.S. companies involves certain considerations not usually associated with trading in securities of U.S. companies, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gains or other income; the small size of some markets in foreign countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to United States standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the United States.

There is also less regulation, generally, of the financial markets in foreign countries than there is in the United States. For example, some foreign exchanges, in contrast to domestic exchanges, are “principals’ markets” in which performance is the responsibility only of the individual member with whom the trader has entered into a contract and not of an exchange or clearing corporation. In such a case, an investor is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts.

Trading in OTC Markets

The Adviser may engage in over-the-counter (“OTC”) derivative transactions, such as currency forward contracts traded in the interbank market; options on currency forward contracts and certain swap agreements. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organized exchanges. Most of the protections afforded to participants on U.S. and certain non-U.S. exchanges, such as daily price fluctuation limits and the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. The Fund will be exposed to greater risk of loss through default than if they confined their trading to organized exchanges.

Cash and Cash Equivalent Investments

The Fund may invest a portion of their assets in cash or cash equivalent items for investment purposes, pending other investments, as collateral or as provision of margin for derivative instruments. These cash items generally are of high quality at the time of investment and may include a number of money market instruments such as negotiable or non-negotiable securities issued by or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers’ acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit, and short-term debt securities of U.S. or non-U.S. issuers deemed to be creditworthy by the Adviser. While these investments

generally involve relatively low risk levels, they may produce lower than expected returns, and could result in losses.

Frequent Purchases and Sales

Frequent purchases and sales may be required by the different trading strategies utilized by the Fund. More frequent purchases and sales will increase the commission costs and certain other expenses involved in the Fund's operations. These costs will be borne by the Fund regardless of the profitability of the Fund's investment activities.

Accuracy of Public Information

The Adviser selects investments for the Fund, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and ordinarily seeks independent corroboration when the Adviser considers it appropriate, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Risk Reduction Techniques May not be Effective

The Adviser may use various hedging or other "risk-reduction" techniques in an attempt to minimize the risk of loss in portfolio positions. Such techniques may not always be available, and even when implemented may not always be effective in limiting losses. For example, the degree of correlation between an asset being hedged and the hedging instruments may vary from historical trends, resulting in less protection to the portfolio.

Some hedging techniques limit the opportunity for gain with respect to the position being hedged. In addition, risk-reduction techniques impose additional trading costs. During particularly volatile market conditions, the Adviser may use risk-reduction techniques that provide no added protection, while possibly imposing significant transaction costs. Moreover, illiquidity or default on one side of a hedge can effectively result in the position being converted into one that is entirely speculative.

Broad Investment and Trading Mandate

The partnership agreement does not impose significant restrictions on the Adviser's investing and trading for the Fund and permits the Fund to invest and trade in a broad range of financial instruments. The Adviser may engage in any strategies from time to time (either in lieu of or in addition to the strategies described herein) to take advantage of changing market conditions and investment opportunities, without notice to the investors.

This could involve changes in the types of financial instruments in which the Fund trades and invests, as well as changes in the markets in which such instruments trade. There can be no assurance that pursuing additional strategies, either in lieu of or in addition to the three

principal strategies described herein, would be successful or not result in losses. The general partner will, however, notify the investors of any material changes to the Fund or its business.

Counterparty Risks

The Fund expects to establish relationships to obtain brokerage and other related services; however, there can be no assurance that the Fund will be able to maintain such relationships or establish such relationships. An inability to establish or maintain such relationships would limit the Fund's trading activities and could create losses, preclude the Fund from engaging in certain transactions and brokerage services and prevent the Fund from trading at optimal rates and terms. Moreover, a disruption in the brokerage services provided by any such relationships before the Fund establishes additional relationships could have a significant impact on the Fund's business due to the Fund's reliance on such counterparties.

Some of the markets in which the Fund may effect its transactions are "over-the-counter" or "inter dealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction due to a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement or where the Fund has concentrated its transactions with a single counterparty or small group of counterparties.

Furthermore, there is a risk that any of the Fund's counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of the Fund's counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the Fund's securities and other assets from the Fund's brokers or broker-dealers will be delayed or be of a value less than the value of the securities or assets originally entrusted to such broker or broker-dealer.

The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Adviser's internal credit function which evaluates the creditworthiness of its counterparties may prove insufficient. The ability of the Fund to transact business with any one or more counterparties, the lack of complete and "foolproof" evaluation of the financial capabilities of the Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

General Operational Risks

The Fund's transactions may place substantial burdens on the Adviser's operational systems and resources, including those related to trade entry and execution, position reconciliation, corporate actions, marking procedures, finance, accounting, profit and loss reporting, internal management and risk reporting and funds transfers. Human error (including, without

limitation, trading errors), system failure or other problems with any of these processes could result in material losses or costs, which generally are borne by the Fund.

Execution Risks

The Fund's trading strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Adviser. Should the Fund's trading orders not be executed in a timely and efficient manner, the Fund might be able to acquire only some, but not all, of a desired position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. In such an event, the Fund would not be able to achieve the market position selected by the Adviser and might incur a loss in liquidating its position.

Systems and Facilities Risks

The Fund relies on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital and to generate risk management and other reports that are critical to oversight of the Fund's activities. In addition, certain of the Fund's operations may interface with or depend on systems operated by third parties, including its brokers, custodians and market counterparties. The Fund will also rely on the ongoing services of the Adviser and the Administrator, which depends on access to their facilities. Although the Adviser will attempt to develop appropriate contingency plans, there can be no assurance that such plans will be effective. For example, a natural catastrophe or terrorist incident could temporarily or permanently interfere with the availability or efficient functioning of such resources. Given the potential for extremely rapid price movements in the markets in which the Fund invests, any defect or failure in the Fund's computer programs or systems or any interruption in the Adviser's or the Administrator's access to its facilities, however brief, could have a material adverse effect on the Fund.

Valuation Risks and ASC 820

Although the Adviser or the Administrator will attempt to mark the Fund's portfolio to fair value, substantial uncertainty and subjectivity often exist, particularly for illiquid investments, and even the Adviser's best judgment as to fair value may not accurately reflect the prices at which the Fund could actually purchase or sell such assets. The Adviser determines the fair value of many investments based on a variety of valuation methodologies, which may depend on a variety of inherently unreliable estimates and assumptions. The methodologies applied to particular assets or types of assets may vary from case to case and over time depending on a range of factors. A failure to properly value the Fund's assets could have a material adverse effect on the returns earned by investors. Many assets are subject to rapid changes in value caused by sudden company-specific or industry-wide developments. For certain illiquid investments, long periods of time may pass during which the Adviser will have no basis upon which to change the reported value of the investment, with the result that large price movements could occur suddenly when information does become available or an investment is liquidated. Performance Allocations

are calculated based on unrealized gains, on the basis of an estimate of fair value, which could be inaccurate. All values assigned to assets and liabilities by the Adviser generally are conclusive and binding on all investors.

The Fund's annual audited financial statements generally are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Specifically, for purposes of GAAP-compliant financial reporting, the Fund is required to follow a specific framework for measuring the fair value of its assets and liabilities and is required to provide certain additional disclosures regarding the use of fair value measurements in its audited financial statements. Financial Accounting Standards Board ("FASB") Codification ("ASC") 820 defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Other valuation-related requirements are contained in other provisions of GAAP and other sections of the codification. Additional FASB Accounting Codification Standards and updates and additional provisions of GAAP, that may be adopted in the future may also impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting.

The Adviser believes that the requirements of GAAP, including ASC 820, are consistent with the valuation methodology described below for purposes of calculating net asset value. If, however, the Adviser determines, acting in good faith and on a reasonable basis, that the valuation methodology required under GAAP does not properly reflect the actual fair value of an asset or liability, the Adviser may adjust the value of such asset or liability for purposes of calculating net asset value as it deems necessary to properly reflect fair value, even if such adjustment is inconsistent with GAAP. In such event, the Fund's assets and liabilities are valued (a) in accordance with GAAP, solely for purposes of preparing the Fund's GAAP-compliant annual audited financial statements, and (b) in accordance with the valuation policies set forth herein (without regard to any inconsistent GAAP requirements), for all other purposes, including without limitation for purposes of calculating net asset value, which, as described herein, is relevant to the calculation of the Management Fee and the Performance Allocation and the amounts payable by the Fund and the investors in respect of a withdrawal by an investor.

In order to value the assets and liabilities of the Fund, the Adviser may rely on information provided by employees of the Adviser or outside parties, and such persons may provide inaccurate, incomplete, outdated or otherwise unreliable information. In the case of employees who receive compensation based on the performance of certain investments, such employees may be motivated to provide incorrect valuation information in order to receive inflated or increased compensation. The Fund may be unable to detect every error contained in the valuation information. To the extent the information received by the Fund is inaccurate or unreliable, the valuation of the Fund's assets and liabilities may be inaccurate.

Regulatory and Legal Matters

In the course of its investment activities on behalf of the Fund, the Adviser may employ unusual or novel investment strategies, securities, financing structures, contractual

arrangements and other techniques, both in the United States and in many other countries. The use of these techniques, as well as more ordinary techniques employed on behalf of the Fund, frequently may give rise to circumstances in which it is difficult or impossible to identify and apply governing laws and regulations (including those relating to securities, trading and tax issues, among others) to the Fund's specific activities with any certainty. Although the general partner and the Adviser strive to comply with all applicable laws and regulations, there can be no certainty that this objective will be achieved. Even an inadvertent violation or an alleged violation of applicable laws or regulations could impose significant costs on the Fund, including disgorgement of profits, penalties, settlement payments, loss of necessary licenses, restrictions on future activities, adverse publicity and otherwise. Such costs generally are borne by the Fund, even if they result from the negligence of the general partner or the Adviser (but generally not if resulting from the fraud, bad faith, willful misconduct or gross negligence of the general partner or the Adviser). Furthermore, at the time the Fund bears such costs, the composition of the investors will likely be different than it was at the time of the violation giving rise to such costs. There generally will be no mechanism by which the Fund may recapture such costs from, or otherwise allocate such costs to, withdrawn investors. As a result, the investors at the time such costs are paid would bear a disproportionate share of such costs.

The general partner, the Adviser, the Fund and their affiliates may in the future be named as defendants in civil litigation related to their investment management activities or investments. The expenses of defending against claims and paying any amounts pursuant to settlements or judgments generally will be borne by the Fund, and the general partner, the Adviser and their affiliates generally will be indemnified by the Fund in connection with any such litigation, subject to certain conditions. Litigation could also be a distraction for the general partner's and/or the Adviser's personnel and, if adversely decided, could result in costs that would make it difficult for the general partner or the Adviser to attract and retain key personnel or otherwise achieve its objectives.

Absence of Regulatory Oversight

While the Fund may be considered similar to an investment company, the Fund has not registered and does not expect to register as such under the Company Act, and, accordingly, the provisions of that act (which, among other matters, require investment companies to have a majority of disinterested directors and regulate the relationship between the Adviser and the investment company) generally are not applicable to the Fund.

Cyber Security Breaches and Identity Theft

The Fund, the Managed Account, the Adviser and the general partner and their respective service providers depend on information technology systems and, notwithstanding the diligence that the general partner and the Adviser may perform on its or the Fund's service providers, it may not be in a position to verify the risks or reliability of such information technology systems. The Fund, the Managed Account, the Adviser and the general partner and their service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices

designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. The general partner's, the Adviser's, the Managed Account's, and the Fund's information and technology systems are vulnerable to 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 general partner, the Adviser and their affiliates have implemented various measures 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, the general partner, the Adviser and/or the Fund may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the general partner's, the Adviser's and the Fund's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the general partner's, the Adviser's or the Fund's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the Fund or individual investors by interfering with the operations of the general partner, the Adviser, their affiliates and/or their affiliated funds (if applicable). The Fund may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Fund, the Adviser and/or the general partner to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Fund may be required to indemnify the general partner and/or the Adviser against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

Performance History

The Fund is a newly formed entity that has a limited or no operating or performance history which prospective investors can review in connection with an investment in the Fund. Past performance of the Fund, the Adviser, the general partner, the principal and their respective affiliates are not necessarily indicative of future performance or the profitability of an investment in the Fund. The Fund's investment program should be evaluated on the basis that there can be no assurance that the Adviser's assessment of the short-term or long-term prospects of investments will prove accurate or that the Fund will achieve its investment objective. An investment in the Fund involves a substantial degree of risk, including risk of loss.

Incomplete Information

An investor generally may not have sufficient information to analyze or evaluate the risks or potential returns of the Fund's investment program currently or prospectively. In general, the Adviser may not provide current or detailed information about the Fund's portfolio or any advance notice to investors of anticipated changes in the composition of the Fund's portfolio. However, in response to questions and requests and in connection with due diligence meetings and other communications, the Fund, the general partner and/or the Adviser may provide additional information to certain investors that is not distributed to other investors, and such information may affect an investor's decision to request a withdrawal. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, including whether to invest in the Fund, and each investor must decide for itself whether the limited information provided by the general partner, the Adviser and the Fund is sufficient for its needs.

Withdrawals

An investment in the Fund generally provides limited liquidity since the interests are not be freely transferable and an investor is only permitted to withdraw amounts from its capital account balance on a limited basis in accordance with the terms of the partnership Agreement. The general partner may delay withdrawal payments if such delay is reasonably necessary to prevent such withdrawal from having a material adverse impact on the Fund.

The Fund may also suspend the calculation of net asset value and/or withdrawal or distribution rights of investors under certain circumstances. An investment in the Fund is appropriate only for sophisticated investors who do not require immediate liquidity for their investment.

Required Withdrawal

The general partner generally may mandatorily withdraw an investor's interests (in whole or in part) for any reason or no reason in its sole discretion. Such mandatory redemption may create adverse tax and/or economic consequences to the investor depending on the timing thereof.

In-Kind Distributions

A withdrawing investor may, at the discretion of the general partner, receive securities, financial instruments or other assets owned by the Fund in lieu of, or in combination with, cash. Such distributions may include interests in one or more trading vehicles or special purpose vehicles holding financial instruments owned by the Fund or participations therein. To the extent a withdrawing investor is distributed interests in one or more trading vehicles or special purpose vehicles, such withdrawing investor will continue to be at risk of the Fund's business (including its credit risk) until all such financial instruments or assets are sold. The value of an in-kind distribution may increase or decrease after the distribution is made and before the security is sold either by the withdrawing investor, if received directly, or by the general partner or its affiliates, if held through a trading vehicle or special purpose

vehicle. In either case, the withdrawing investor will incur transaction costs in connection with the sale of any such instruments and, in the case of interests in trading vehicles or special purpose vehicles, will bear a proportionate share of the operating and other expenses borne by such vehicle. Instruments distributed in-kind may not be readily marketable. The risk of loss and delay in liquidating these financial instruments are borne by the investor, with the result that such investor may ultimately receive less cash than it would have received on the date of withdrawal if it had been paid in cash. Furthermore, to the extent that a withdrawing investor receives interests in one or more trading vehicles or special purpose vehicles, such withdrawing investor generally has no control over when and at what price the financial instruments or assets in which such vehicles have an interest are sold.

Reliance on the general partner, Adviser

The success of the Fund is heavily dependent upon the ability of the general partner, the Adviser and their agents, principals and employees, including specifically its principal. If the principal ceases to be involved, directly or indirectly, in the general partner, the Adviser and the management of the Fund or its portfolio, the business of the Fund would likely be adversely affected. Any deterioration in the general partner's or the Adviser's net income or prospects, which could be expected to follow from investment losses and a reduction in assets under management, will make it more difficult to retain key personnel (including partners and employees) and could have a material adverse effect on the Fund. If the principal of the general partner and/or the Adviser ceases to be involved, directly or indirectly, in the general partner and/or the Adviser and the management of the Fund or its portfolio, the business of the Fund would likely be adversely affected.

While the general partner, the Adviser and their principals and affiliates will devote as much time to the Fund's affairs as they deem necessary and appropriate, they generally will not be precluded from engaging in outside activities. Any of the foregoing generally may engage and hold interests in other business ventures and activities of every kind and description for their own account including, without limitation, other investment entities similar to the Fund and/or other investment advisory entities similar to the general partner and/or the Adviser.

Conflicts of Interest

Various actual and potential conflicts of interest exist (and may exist) among the general partner, the Adviser, their principal, their affiliates and/or employees including actual and potential conflicts of interest related to fees, portfolio composition and valuation, expense allocation, selection of counterparties and best execution, treatment of other investors, limitation of liability, indemnification and trade errors, and outside business activities and personal trading. The general partner and the Adviser may face various actual or potential conflicts of interest relating to the allocation of investment opportunities. During the Fund's term, many different types of conflicts of interest may arise and this memorandum does not purport to identify all such conflicts. Investors ultimately are heavily dependent upon the good faith of the general partner, the Adviser, their principal and each of their affiliates.

Compensation Arrangements

The Adviser is entitled to receive the Management Fee and the general partner is entitled to receive the Performance Allocation. Management Fees, which are paid without regard to the Fund's performance, could motivate the Adviser to gather more assets than it can manage effectively, thereby diluting returns to investors. The Performance Allocation could motivate the Adviser, due to its affiliation with the general partner, to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect.

The general partner may also enter into solicitation or placement agent agreements with third party solicitors or placement agents, pursuant to which the solicitor or placement agent will identify, solicit and refer prospective qualified investors in the Fund to the general partner and the general partner will compensate the solicitor for such activities.

Side Letters

The Fund, the Adviser and/or the general partner may from time to time enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more investors that alter, modify or change the terms of the interests held by such investors. Side Letters may provide such investor(s) with additional and/or different rights (including, without limitation, the Performance Allocation, Management Fees, withdrawal terms, Capital Contribution amounts, informational rights, transparency rights, capacity rights and other rights) than the other investors. Except to the extent required by applicable law, the Fund is not required to notify any or all of the other investors of any such Side Letters or any of the rights and/or terms or provisions thereof, nor is the Fund required to offer such additional and/or different rights and/or terms to any or all of the other Fund.

Limitation of Liability and Indemnification

Certain exculpation and indemnification provisions are contained in the partnership Agreement and other applicable documents. As a result of these provisions, the general partner, the Adviser and their affiliates and personnel generally will not be liable to the Fund for any act or omission (including employee negligence and similar human errors), absent gross negligence, bad faith, willful misconduct or fraud, and the Fund generally is required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Fund (to the extent permitted by applicable law). Notwithstanding the foregoing, such provisions will not be construed to relieve any person of any liability to the extent that such liability may not be waived, modified or limited under applicable law (including liability under certain U.S. securities laws which, under certain circumstances, impose liability even on persons acting in good faith).

Restrictions on Transferability

Each investor is required to represent that it is acquiring interests for investment purposes only and not with a view to distribution or resale; that it understands that it must bear the economic risk of an investment for an indefinite period of time because the interests have

not been registered with the SEC or any other state or governmental agency; and that it understands interests cannot be sold unless an exemption from such registration is available. In addition, transfers of interests require, among other things, the prior written consent of the general partner, which consent may be withheld in the general partner's discretion and may include such terms and conditions as the general partner deems appropriate. There is no independent market for interests, and none is expected to develop. Consequently, the interests should be considered only as a long-term and illiquid investment and is suitable only for sophisticated investors.

Effect of Withdrawals

A significant withdrawal of capital from the Fund may cause a temporary imbalance in the Fund's portfolio which may adversely affect the remaining investors.

Lack of Management Control

The management of the affairs of the Fund is vested in the general partner and in such other persons to which the general partner delegates authority. The general partner has wide latitude and exclusive authority and discretion in making most investment decisions and, with limited exceptions, the investors have no right to participate in the decisions made by the general partner on behalf of the Fund, or otherwise participate in the affairs of the Fund.

Definitive Terms and Conditions

Portions of this memorandum describe specific terms and conditions set forth in the partnership Agreement and various other documents or agreements. The actual terms and conditions set forth in such documents or agreements may vary materially from those described in this memorandum for a variety of reasons, including but not limited to formal amendments to the partnership Agreement. Moreover, the partnership Agreement contains highly detailed terms and conditions, many of which are not described fully or at all in this memorandum. In the event of a conflict between this memorandum and the partnership Agreement, the provisions of the partnership Agreement will control. In all cases, the partnership Agreement supersedes this memorandum. investors are urged to carefully review the partnership Agreement and must also be aware that, pursuant to the rules governing amendments set forth therein, certain amendments to the partnership Agreement may be adopted without the consent or approval of any investor.

Security Breaches and Disruptions

In the ordinary course of business, the Fund, the general partner, the Adviser and their service providers collect and store, on such parties' networks and/or on the networks of their third party vendors, sensitive data including the intellectual property, trading data and personally identifiable information of the investors. The secure processing, maintenance and transmission of this information is critical to the Fund's operations. Despite the security measures implemented by the Fund, the Adviser and their service providers and/or vendors, such parties' information technology and infrastructure may be vulnerable to attacks by

hackers and/or breaches as a result of employee error, malfeasance or other technological disruptions. These attacks or breaches may remain undetected for an extended period of time and could compromise such networks, resulting in the information stored therein being accessed, publicly disclosed, lost and/or stolen. Any such access, disclosure or loss of information may have legal ramifications (including legal claims or proceedings, liability under laws that protect the privacy of personal information and regulatory penalties under federal and/or state securities laws) and may result in the disclosure or misuse of confidential information concerning the investors, cause reputational harm to the Adviser and/or the Fund and increase their respective costs. All of the foregoing potential consequences of an attack or breach could negatively impact the Fund and its investors.

Risks Relating to Admission of Benefit Plan investors

The general partner intends to use commercially reasonable efforts to limit the amount of investments by “benefit plan investors” (as defined in Section 3(42) of ERISA) so that the underlying assets of the Fund are not deemed to constitute “plan assets” for purposes of ERISA and/or Section 4975 of the Code. If, however, the Fund was deemed to hold “plan assets”, (a) ERISA’s fiduciary standards could apply to the Fund which could materially affect the operations and profitability of the Fund, and (b) any transaction with the Fund and certain persons could constitute a prohibited transaction under ERISA and/or Section 4975 of the Code, unless an exemption applies. If at any time the general partner determines that assets of the Fund may be deemed to be “plan assets” subject to ERISA and Section 4975 of the Code, the general partner may take certain actions it determines necessary or appropriate, including requiring one or more investors to withdraw all or part of their interests in the Fund.

Fund Classification

The general partner believes that under the provisions of the Code and the Treasury Regulations currently in effect, the Fund will be treated for U.S. federal income tax purposes as a partnership and not as an association taxable as a corporation, although it is not expected that the Fund will obtain a ruling from the Internal Revenue Service (the “IRS” or the “Service”) regarding such treatment. If the Service were to treat the Fund as an association or a publicly traded partnership taxable as a corporation, the Fund would be subject to U.S. federal income taxes on any taxable income at regular corporate tax rates, reducing the amount of cash available for distribution to investors, and the investors would be then be treated for U.S. federal income tax purposes as corporate shareholders.

Change of Law; Risk of Adverse Determination

Certain of the anticipated U.S. federal income tax consequences associated with an investment in the Fund based upon the current law in effect are described below in this memorandum in the section “Taxation.” There can be no assurance that the conclusions set forth in this memorandum will not be challenged successfully by the Service, or significantly modified by new legislation, changes in the Service’s positions or court decisions. An audit of the Fund by the Service or another applicable taxing authority could result in adjustments

to the tax consequences initially reported by the Fund, which may result in the Fund bearing the cost of an imputed underpayment in the year of the audit, rather than the year of the underpayment. Accordingly, the economic expense imposed by an audit may be borne by the current investors rather than the investors of the reviewed period. Alternatively, audit adjustments could result in an increase in an investor's U.S. federal income tax liability for any reviewed year and then such investor would also be liable for interest and penalties with respect to its amount of underpayment. The Fund has not applied for, nor does either Fund expect to apply for, any advance rulings from the Service with respect to any of the U.S. federal income tax consequences described in this memorandum. No representation or warranty of any kind is made by the general partner with respect to the U.S. federal income tax consequences relating to an investment in the Fund.

Possibility of Taxation of Income without Corresponding Distribution

The Fund may be required to recognize taxable income from its investments that is not matched by corresponding distributions of cash. As a result, an investor's federal and other income tax liabilities with respect to its allocable share of the Fund's taxable income in a particular tax year could exceed the cash distributions to such investor for such year.

Schedule K-1

The Fund will provide Schedules K-1 as soon as practical after receipt of all of the necessary information. However, the Fund may be unable to provide final Schedules K-1 to investors for any given tax year until after April 15 of the following year. Investors may need to obtain extensions of the filing date for their income tax returns at the U.S. federal, state, and local level.

Limitations on Use of Losses

The ability of non-corporate and certain corporate investors to deduct losses generated by the Fund may be limited by the "at risk" and certain other limitations. Application of the "at risk" and certain other rules may limit the ability of such investors to recognize currently their allocable shares of the Fund's losses.

Multi-Jurisdiction Tax Issues

In the event that the Fund conducts activities or otherwise does business in any state or foreign jurisdiction, the Fund and/or the investors may be subject to one or more types of tax and may be required to file tax returns in such state(s) or jurisdiction(s).

Special Tax Rules

Certain special rules (including, for example, those related to options, forward contracts, short sales, notional principal contracts, foreign currency trading, passive foreign investment companies and controlled foreign corporations) may apply to the Fund's

investments and could affect the character and timing of income and/or gains realized by the Fund for U.S. federal income tax purposes by investors.

Fund May Not Be Appropriate for Tax-Exempt investors and Non-U.S. investors

Due to unrelated business taxable income (“UBTI”) that could be allocated to a tax-exempt investor and certain tax and withholding obligations that could be imposed with respect to a non-U.S. investor, an investment in the Fund may not be appropriate for U.S. tax-exempt investors, including employee benefit plans or non-U.S. investors. Accordingly, prospective U.S. tax-exempt investors, including employee benefit plan investors, and non-U.S. investors are urged to consult their tax advisors prior to investing in the Fund.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN ADVISER’S METHODS OF ANALYSIS AND INVESTMENT STRATEGIES USED IN FORMULATING INVESTMENT ADVICE OR MANAGING ASSETS. PROSPECTIVE CLIENTS SHOULD CAREFULLY REVIEW THE RISKS DESCRIBED IN THE APPLICABLE GOVERNING DOCUMENTS.

Item 9 - Disciplinary Information

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of the Adviser's advisory services or the integrity of management.

Neither Mondrian, nor any of its affiliates, have ever been disciplined or sanctioned by any regulatory agency.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Adviser does not have any other relationships or arrangements with any related persons that is material to its advisory business or to its Clients.
- D. The Adviser does not recommend or select other investment Advisers for its Clients.

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

- A. The Adviser has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's Access persons (“any employee of the Adviser who has access to information regarding the purchase or sale of securities by the Adviser or the portfolio holdings of any of its Clients”). The Code contains policies and procedures that ensure that all personal securities trading by Access persons of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. Access persons are generally prohibited from transactions in single name companies (including IPOs) in their personal accounts and must pre-clear other transactions involving reportable securities. The Adviser requires periodic reporting of Access persons' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

The Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non- public information, and, therefore, may not trade on the basis of that information.

The Adviser will provide a copy of the Code to any investor or prospective investor upon request.

- B. The Adviser does not have a material financial interest in securities for which it recommends to Clients, or buys or sells for Client accounts.
- C. The Adviser or related persons may invest in securities that it recommends to Clients. This may create an incentive for the Adviser to allocate securities in favor of the Adviser's proprietary accounts over the Client's accounts. To address these conflicts of interest, the Adviser has implemented personal trading policies within the Code that requires pre-clearance of personal trades in certain circumstances; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.
- D. Subject to the requirements of the Code, the Adviser or related persons may recommend investments to Clients, or make investments for Clients, at or about the same time that the Adviser or its related persons buys or sells the same investments for their own account.

Item 12 - Brokerage Practices

- A. The Adviser has complete discretion to determine, subject to each Client's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries use in effecting the transactions for Clients, and the commission rates to be paid for such transactions.

Brokerage. The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of its Clients. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause a Client to enter into arrangements pursuant to which the Client pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by a Client may be cleared through, and the Client's investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. Subject to the Adviser's agreement with each Client, the Adviser may use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. The Adviser does not consider the receipt of Client referrals when selecting broker-dealers to execute transactions.

The Managed Account will have designated firms to serve as both the custodian and prime broker for its assets. The Managed Account, however, will not routinely recommend, request or require the Adviser to execute transactions through a specified broker-dealer. The executing brokers retained by Mondrian will be selected by the Adviser at its sole discretion.

Soft Dollars. The Adviser or its affiliates may receive from a Client's broker-dealer products and services in addition to brokerage services.

A portion of the commissions generated on a Client's brokerage transactions may generate "soft dollar" credits that the Adviser is authorized to use to pay for research and other non-research related services and products used by the Adviser or its affiliates. The Adviser may enter into "soft dollar" arrangements with one or more broker-dealers whereby the Adviser will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Although the Adviser will use the research and services in making investment decisions for the applicable Client, the Adviser may use such research or services for other Clients and the applicable Client will generally pay more than the lowest available commissions for execution of these transactions. The Adviser may also enter into "soft dollar" arrangements to cover Client expenses or costs and expenses of the Adviser to the extent such arrangements are permitted by law.

The Adviser has authority to use “soft dollar” credits generated by a Client’s securities transactions to pay for expenses that might otherwise have been borne by the Adviser. This may give the Adviser an incentive to select brokers or dealers for Client transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Adviser rather than giving exclusive consideration to the interests of the Clients. In the event that the Adviser elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or such services that are otherwise reasonably related to the investment decision-making process.

The term “soft dollars” refers to the receipt by an investment Adviser of products and services provided by brokers, without any cash payment by the investment Adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for Clients of the investment Adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Adviser creates a conflict of interest between the Adviser and its Clients, because a Client may pay for such products and services that are not exclusively for the benefit of the Client and that may be primarily or exclusively for the benefit of the Adviser. To the extent that the Adviser is able to acquire these products and services without expending its own resources (including management fees paid by a Client), the Adviser’s use of “soft-dollars” would tend to increase the Adviser’s profitability. In addition, the availability of these non-monetary benefits may influence the Adviser to select one broker rather than another to perform services for its Clients. Certain of the Clients’ Offering Documents, including the Funds’ Offering Documents, specifically authorize these practices to the fullest extent permitted by law.

- B. In general, (and when applicable), the Adviser attempts to aggregate multiple orders for the purchase or sale of the same instrument into block transactions, subject to the overall obligation to achieve best price and execution for its Clients. When a Client trades in the same security or other instrument and the order cannot be aggregated, the Adviser/traders will direct the trades to the market in a way that seeks to best achieve equivalent treatment.

Item 13 - Review of Accounts

- A. The Principal of the Adviser is responsible for reviewing Client investment portfolios on a continuous basis relating to, among other factors, position sizes; exposure levels; margin requirements; and investment opportunities.
- B. See Item 13.A. above.
- C. The Adviser provides written periodic financial reports, such as audited annual financial statements to the investors in the Fund. Mondrian or the custodian of the Managed Account provides a written account statement or report to the Managed Account on a periodic basis, depending on the terms negotiated between the Managed Account and Mondrian. The reports include the performance of the account along with other information as agreed by Mondrian and the Managed Account.

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Fund.
- B. Neither the Adviser nor a related person of the Adviser directly or indirectly compensates any person who is not a supervised person for Client referrals.

Item 15 - Custody

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Fund by virtue of the common control of the Adviser and the general partner of the Fund. All assets and securities of the Fund are held by qualified custodians. As noted in *Item 13* above, Fund Investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

Mondrian is not deemed to have custody of the assets held in the Managed Account. The Managed Account does not surrender ownership of any cash or securities comprising the assets in its accounts. Mondrian may not remove any cash or securities from a Managed Account and the assets subject to supervision will be maintained in street name in the respective Managed Account's custody with the custodian and/or broker-dealer selected by the Managed Account and set forth in each respective investment management agreement. Managed Accounts should carefully review account statements received from the broker-dealer, bank or other qualified custodian. Mondrian periodically evaluates its status under the custody rule to determine any change.

Item 16 - Investment Discretion

The Adviser exercises discretion in managing the Clients' investments based on the Clients' investment objectives, policies, and strategies disclosed in its Offering Documents.

The Adviser contractually assumes discretionary authority with each Client account under an investment management agreement.

Item 17 - Voting Client Securities

The Adviser follows a proxy voting policy to ensure that proxies the firm votes, on behalf of each Client, are voted to further the best interest of that Client. The policy establishes a mechanism to address any conflicts of interests between the Adviser and its Clients. Further, the policy establishes how a Client's underlying investors may obtain information on how the proxies have been voted.

The Adviser determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. The Adviser votes proxies in a manner that it believes reasonably furthers the best interests of its Clients and is consistent with the investment philosophy as set forth in the relevant Client Offering Documents.

If a proxy vote creates a material conflict between the interests of the Adviser and a Client, the Adviser will resolve the conflict before voting the proxies. The Adviser will take steps designed to ensure that a decision to vote the proxy was based on the Adviser's determination of the Client's best interest and was not the product of the conflict.

The Adviser maintains records of (i) all proxy votes that are made on behalf of its Clients; (ii) all written requests from each Client's underlying investors regarding voting history; and (iii) all responses (written and oral) to investors' requests. Such records are available to each Client's underlying investors upon request.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of more than \$1,200, six months or more in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.