

Parian Global Management LP

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This “**Brochure**” provides information about the qualifications and business practices of Parian Global Management LP. If you have any questions about the contents of this Brochure, please contact us at info@parianglobal.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Parian Global Management LP is a registered investment adviser with the SEC. Registration as an investment adviser does not imply that Parian Global Management LP or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

Item 2: Material Changes

Parian Global Management LP filed its most recent annual updating amendment to its Brochure on March 30, 2021. This Brochure has been updated to reflect Parian Global Management LP's new address and includes information regarding new clients Parian Global Management LP began managing in 2021. Clients and investors are encouraged to read this document in its entirety.

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Item 4: Advisory Business

Parian Global Management LP (hereinafter “we”, “us”, or “our”) is a Delaware limited partnership that was founded in 2018. We are founded and principally owned by Zach Miller (the “Principal”), who is also our Portfolio Manager. Mr. Miller is responsible for the management of the strategies employed by us. CCZG LLC serves as our general partner and is also principally owned by Mr. Miller.

We serve as the investment manager and provides discretionary advisory services to the following private, pooled investment vehicles:

- Parian Global Master Fund LP, a Cayman Islands exempted limited partnership (the “**Master Fund**”);
- Parian Global US Fund LP, a Delaware limited partnership (the “**Onshore Fund**”);
- Parian Global Offshore Fund Ltd, a Cayman Islands exempted company (the “**Offshore Fund**”); and
- Parian Global US Fund II LP, a Delaware limited partnership (“**Fund II**”)
- Parian Global Special Opportunity Fund I LP, a Delaware limited partnership (the “**Opportunity Fund**”)
- Parian Global Special Opportunity Fund II LP, a Delaware limited partnership
- Parian Janus LP, a Delaware limited partnership
- Parian Athena LP, a Delaware limited partnership
- Parian Hestia LP, a Delaware limited partnership

The Master Fund, the Onshore Fund, the Offshore Fund and Fund II (collectively the “**Long-Short Funds**”), Parian Global Special Opportunity Fund II LP, Parian Janus LP, Parian Athena LP and Parian Hestia LP (collectively the “**Private Equity Funds**”), along with the Opportunity Fund are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”.

The Onshore Fund’s, Fund II’s, the Opportunity Fund’s, and the Private Equity Funds’ limited partners and the Offshore Fund’s shareholders are hereafter collectively referred to as the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its offering documents or governing documents (collectively, the “**Offering Documents**”). Certain Clients may impose leverage limitations, as described in its Offering Documents. Under certain circumstances in the future, we may contract with a separately managed account client to adhere to limited risk and/or operating guidelines imposed by that client. We would negotiate such arrangements on a case-by-case basis. (See *Item 16 - Investment Discretion.*)

We do not currently participate in any wrap fee programs.

The Firm has regulatory assets under management of \$285,243,624 as of May 31, 2021, all of which are managed by the Firm on a discretionary basis.

Item 5: Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in the relevant Offering Documents. A brief summary of such fees is provided below.

Management Fee

We generally charge Clients an asset-based management fee and performance allocation. We are generally paid an investment management fee ("**Management Fee**") of between 1.00% and 1.75% per annum of net asset value of the applicable Funds. The Management Fee is normally charged on the first day of each quarter and is paid in advance based on the applicable Fund's net asset value on the first day of such quarter in such amounts as are set forth in the Offering Documents of such Fund. Once paid, Management Fees are non-refundable. Our compensation schedule with respect to any future client will be contained in the Offering Documents relating to such client.

We may, in our sole discretion, waive, reduce or rebate the Management Fee at any time without notice to or consent from any Fund (or underlying Investor in such Fund).

In addition to the Management Fee and Performance Allocation (as defined below) and as set forth in more detail in the applicable Offering Documents, each Fund will pay all costs and expenses related to its investments and its operations. Expenses are generally shared by all of the Investors in the Funds, while expenses related to one or more particular series or classes of investments will be allocated accordingly. In the event that one or more Funds invest all or a substantial portion of its assets through a "master fund," each such "feeder fund" will also be responsible for its *pro rata* portion of such master fund's costs and expenses. Expenses of more than one Fund will be shared on an equitable basis among such Funds.

Notwithstanding the foregoing, the Firm may elect to bear some or all of the above expenses of the Clients. The expenses that would be charged to future clients would be determined on a case-by-case basis.

From time to time, we also allocate a portion of certain Clients' capital to money market funds or exchange-traded funds ("**ETFs**"). In addition to the fees and expenses discussed above, Clients will indirectly incur similar fees and expenses if we invest their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

For a more detailed discussion of brokerage and transaction costs, see *Item 12 - Brokerage Practices*.

Neither we nor our employees accept any compensation (e.g., brokerage commissions) for the sale of securities or other investment products, including interests in the Funds.

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

An affiliate of ours, Parian GP LLC (the "**General Partner**"), a Delaware limited liability company that serves as the general partner to one or more of the Funds, is entitled to receive a performance-based allocation ("**Performance Allocation**") in respect of each Fund on an annual basis in arrears and upon withdrawals by Investors in the Funds, ranging from 10-20% of realized and unrealized net profits of each investor's investment in the applicable Fund, subject to a "high-water mark" provision as described in the Offering Documents.

In the event that the investment advisory relationship is terminated (or Investors withdraw or redeem) other than at the end of a performance allocation calculation period, the amount of

such Investor's high-water mark, if any, will be reduced in proportion to the amount of capital withdrawn and such date will be treated as the end of the performance allocation period.

The Performance Allocation creates an incentive for us, an affiliate of the General Partner, to make more speculative investments than would otherwise be made and make decisions regarding the timing and manner of realization of investments differently than if such Performance Allocation was not received.

In allocating investment opportunities among Client accounts, we are required to act in a manner that we consider fair and equitable, depending on the particular facts and circumstances and the needs and financial objectives of our various Clients. However, we are not otherwise subject to any specific obligations or requirements concerning the allocation of investment opportunities, or any restrictions on the nature or timing of investments for the Clients, except as otherwise set forth in the Offering Documents of the applicable Client. We address this conflict through the application of our trade allocation procedures and restrictions on investments that may be made by our personnel that are designed to avoid or minimize such conflicts of interest, including policies designed to ensure that investment opportunities are allocated equitably among Clients with similar investment objectives and limitations on our personnel to make investments in securities held by Clients. We periodically review our allocation of investment opportunities to determine whether Clients are treated fairly.

Our general policy is to trade the Long-Short Funds' portfolios on a *pari passu* basis. However, allocations between the Long-Short Funds and the Opportunity Fund may be made on a different basis for a number of factors, including, but not limited to: (i) Fund liquidity, (ii) each Fund's investment or risk restrictions or guidelines (including with respect to concentration), (iii) legal, regulatory and tax considerations, (iv) relative amounts of capital available for new investments, (v) minimum participation thresholds the Firm deems appropriate, (vi) the overall portfolio composition of each Fund, and (vii) the desire to avoid de minimis allocations and odd lots.

The Private Equity Funds each invest in single private issuer that is not held by any of the other clients. The Long-Short Funds do not invest in private securities.

Item 7: Types of Clients

Our clients are the Funds.

Investors in the Funds include, but are not limited to, high net worth individuals, family offices, fund-of-hedge funds, endowments, foundations, trusts, charitable organizations, pension plans, and corporate or business entities. The minimum initial investment in the Funds range from \$500,000 to \$1,000,000. We may waive such minimum under certain circumstances.

Details concerning applicable investor suitability criteria are set forth in the respective Fund's Offering Documents. Each Investor will be required to meet certain suitability qualifications.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to clients, investment strategies we pursue, and investments made by us on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not

described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks. Investing in securities involves a risk of loss that Clients and Investors should be prepared to bear. There can be no assurance that the investment objectives of any Client will be achieved.

Investment Objective

The Long-Short Funds

Our investment objective is to provide superior long-term returns to our Clients with minimal correlation to the broader equity and bond markets. We seek to achieve this objective by trading both long and short a portfolio of securities – primarily North American and non-U.S. listed equities, and equity options – utilizing a fundamental, research-driven approach. We believe that the strategy, with generally low net exposure and moderate leverage, will translate into strong returns over a rolling multi-year timeframe while protecting capital regardless of market environment.

The Opportunity Fund

The investment objective of the Opportunity Fund is to invest its assets in a single issuer that is also held by the Long-Short Funds.

The Private Equity Funds

The investment objective of each Private Equity Fund is to invest its assets in a single private issuer that is not held by the other clients.

Risk Management

Our risk management framework is designed to increase the likelihood that the Funds can benefit from periods of portfolio volatility and withstand extreme events in the financial markets. This involves concentrating risk in the portfolio to well-researched, high conviction views and avoiding or managing other risks.

We believe the single best risk management tool at our disposal is rigorous, position-level research. We will regularly monitor positions and seek new information in order to re-evaluate each Fund's portfolio, including its probabilistic risk / reward ratio. Each Fund will seek to exit or reduce specific positions when we believe that the risk / reward with respect to such position falls below a certain hurdle established by us. We regularly monitor positions and seek new information in order to re-evaluate each Client's portfolio, including its risk / reward ratio. We will also seek to use a variety of analytical tools in order to quantify with a reasonable degree of confidence how much an investment has the potential to lose over a given time period. Generally, when stocks move significantly from their initial price and / or there is relevant new information, the investment thesis will be re-evaluated.

We will also conduct periodic top-down reviews of the portfolio to assess (i) levels of portfolio concentration (e.g., exposure to sub-sectors, end markets, geographic regions, and other fundamental or technical factors), (ii) economic / cyclical exposure, and (iii) gross / net exposure, leverage, and volatility in the portfolio and markets more broadly. We believe that even the most sophisticated risk management systems have limitations, primarily due to the fact that the data upon which such systems depend typically rely on historical data that may

have limited relevance. Accordingly, we may employ additional risk management tools in our discretion.

Risk of Loss Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire investment. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly traded stocks and bonds, options, and related instruments. For the purposes of clarity, references below to “the Fund” will mean each Fund as the context may require.

Risk Factors Applicable to the Funds Generally

Investment and Trading Risks. An investment in the Fund will involve a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Fund’s investment program will be successful. We invest substantially all of the Fund’s assets in securities, some of which may be particularly sensitive to economic, market, industry and other variable conditions. The markets in which the Fund expects to invest have in recent years had significant volatility. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Fund.

Equity Securities Generally. The Fund trades equity securities and equity-related security derivatives in primarily the U.S., Canada and Western Europe but also in other countries. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Fund may suffer losses from investments in equity instruments of issuers whose performance diverges from our expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move.

Equity Price Risk. The Fund’s investment portfolios include long and short positions in equity securities. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Fund.

Use of Leverage. We use leverage in connection with the Fund’s portfolio through margin and other debt in order to increase the amount of capital available for investments. Although leverage increases returns to the Investors if the Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to the Investors if the Fund fails to earn as much on such incremental investments as it pays for such funds. In the event that the Fund leverages its portfolio, fluctuations in the market value of the Fund’s portfolio will have a significant effect in relation to the Fund’s capital and the risk of loss and the possibility of gain will each be

increased. In addition, when the Fund utilizes leverage, the level of interest rates generally, and the rates at which the Fund can borrow in particular, will be an expense of the Fund and therefore affect the operating results of the Fund. Leverage increases the risk of substantial losses (including the risk of a total loss of capital), and leverage can significantly magnify the volatility of the Fund's portfolio.

The Fund uses short-term margin borrowing in purchasing securities positions. Such borrowing, if made, may result in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call" pursuant to which the Fund would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

Concentration of Investments. Subject to our risk framework, in the normal course of making investments on behalf of the Fund, we may select investments for the Fund that potentially could be concentrated, for example, in a limited number or type of securities or in any one issuer, industry, sector, strategy or geographic region. Market conditions may create opportunities within certain investment strategies, which cause us to increase the concentration of certain investment strategies. Such concentration of risk may expose the Fund to losses disproportionate to those incurred by the market in general if the areas in which the Fund's investments are concentrated are disproportionately adversely affected by price movements.

Money Market Instruments. We may invest, for defensive purposes or otherwise, all or a portion of the Fund's assets in high quality fixed-income securities, money-market instruments, and money-market mutual funds, or hold cash or cash equivalents in such amounts as we deem appropriate under the circumstances. Money market instruments are high quality, short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. government securities, commercial paper, certificates of deposit and bankers' acceptances issued by domestic branches of U.S. banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements. However, there can be no assurances that such investments will not be subject to significant risks.

Cash Holdings. From time to time, the Fund holds substantial cash balances which will vary depending on our view of available investment opportunities. During times in which substantial capital is held in cash or cash equivalents, such capital may not be subject to the same returns as the rest of the Fund's portfolio.

Loans of Portfolio Securities. The Fund may lend its portfolio securities on terms customary in the securities industry, enter into reverse repurchase agreements or enter into other transactions constituting a loan of the Fund's assets. By doing so, the Fund attempts to increase its income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, the Fund could experience delays in recovering the securities it lent. To the extent that the value of the securities the Fund lent has increased, the Fund could experience a loss if such securities are not recovered.

Broker Risk. The Fund's assets are held in one or more accounts maintained for the Fund by its prime brokers or at other brokers or custodian banks, which may be located in various jurisdictions, including emerging market jurisdictions. The prime brokers, other brokers

(including those acting as sub-custodians) and custodian banks are subject to various laws and regulations in the relevant jurisdictions that are designed to protect their customers in the event of their insolvency. Accordingly, the practical effect of the laws protecting customers in the event of insolvency and their application to the Fund's assets may be subject to substantial variations, limitations and uncertainties. For instance, in certain jurisdictions brokers could have title to the Fund's assets or not segregate customer assets. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, another broker or a clearing corporation, it is impossible further to generalize about the effect of the insolvency of any of them on the Fund and its assets. Investors should assume that the insolvency of any of the prime brokers, local brokers, custodian banks or clearing corporations may result in the loss of all or a substantial portion of the Fund's assets or in a significant delay in the Fund having access to those assets.

Cyber Security Breaches and Identity Theft. Our information and technology systems, and the systems of our affiliates, the Funds and their respective service providers and portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and/or usage errors by their respective professionals. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

Although we and our affiliates have implemented 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, we, our affiliates, the Funds, their respective service providers and/or their portfolio companies may have to make a significant investment to fix or replace them. The failure of these systems for any reason could cause significant interruptions in such parties' operations and/or 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 our reputation and/or the reputation of our affiliates, the Funds and/or their portfolio companies, subject any such entity and their respective affiliates to legal claims and/or otherwise affect their business and financial performance. Specifically, cyberattacks and the failure of such systems may interfere with the processing of Investor subscriptions or redemptions, impact the Funds' ability to value their assets, cause the release of confidential information and/or subject the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Funds also may incur substantial costs for cyber-security risk management to prevent any cyber incidents in the future. The Funds and their Investors could be negatively impacted as a result.

Inside Information. From time to time, we or our affiliates may be in possession of material, non-public information concerning the issuer of the securities in which the Funds have invested, or as to which they are evaluating an investment. The possession of such information may limit the ability of us to cause the Funds to buy or sell such securities or other instruments. Accordingly, the Funds may be required to refrain from buying or selling such securities or other instruments at times when we might otherwise wish to cause the Funds to buy or sell such securities or other instruments. We have policies and procedures in place that seek to ensure that our investment practices do not violate federal and state securities law prohibitions on trading on inside information.

Outsourced Trading. We expect to delegate the authority to select brokers for the Funds' transactions to a third party. The Funds' expenses may be higher, as a result of paying such third party, than if we traded directly with such brokers.

Risk Factors Applicable to the Long-Short Funds Generally

Convertible Securities and Investments in Equity-Related Convertible Securities. The Fund may invest a portion of its capital in convertible securities and equity-related convertible securities. Convertible securities are equities, bonds, debentures, preferred stocks or other securities that may be converted into or exchanged for a specified fixed or variable amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is influenced principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required, depending on the terms of the security, to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to meet its investment objective.

Investments in High Yield and Distressed Securities. The Fund may trade high-yield and distressed securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, the Fund may trade credit instruments of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic

conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that an economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities. Such investments involve a substantial degree of risk and could result in substantial losses to the Fund.

The terms and conditions associated with credit instruments, particularly high yield and distressed securities, are often complex and require a sophisticated level of evaluation of financial, operational and legal matters. There is no assurance that we will correctly evaluate the value of a company's assets, the terms of its debt instruments or the prospects for a successful reorganization or similar action. Investments in these securities require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by us. Our involvement in an issuer's reorganization proceedings could result in the imposition of restrictions limiting the Fund's ability to liquidate its respective position in the issuer.

Investments in Bankrupt or Restructured Companies. Certain of the issuers of securities which may be purchased by the Fund, may be involved in bankruptcy or other reorganization proceedings which involve a substantial degree of risk. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. Accordingly, a bankruptcy court may approve actions that are contrary to the Fund.

Generally, the duration of a bankruptcy case can only be roughly estimated. The process can involve substantial legal, professional and administrative costs to the company and the Fund; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart, and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. Although the Fund may invest a portion of its assets in debt, the debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

Investment in the debt of financially distressed companies domiciled outside the U.S. involves additional risks. Bankruptcy law and process may differ substantially from that in the U.S., resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

We may cause the Fund to purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Investments in Preferred Stock. The Fund may trade the preferred shares of certain companies. Preferred shares may pay dividends at a specific rate and generally have preference over common stock in the payment of dividends in a liquidation of assets but rank

after debt securities. Unlike interest payments on debt securities, dividends on preferred shares are generally payable at the discretion of the board of directors of the issuer. The market prices of preferred shares are subject to changes in interest rates and are more sensitive to changes in the issuer's creditworthiness than are the prices of debt securities.

Short Sales. We engage in short sales as part of hedging transactions or when we believe securities are overvalued. Short sales are sales of securities the Fund borrows but does not actually own, usually made with the anticipation that the prices of the securities will decrease, and the Fund will be able to make a profit by purchasing the securities at a later date at the lower prices. The Fund will incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss.

Short sale transactions have been subject to increased regulatory scrutiny in response to market events in recent years, including the imposition of restrictions on short selling certain securities and reporting requirements. The Fund's ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior trading activities of the Fund. Additionally, the SEC, its foreign counterparts, other governmental authorities and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions. The SEC might impose different limitations and/or prohibitions on short selling from those imposed by various non-U.S. regulatory authorities. These different regulations, rules or interpretations might have different effective periods.

Regulatory authorities may impose restrictions that adversely affect the Fund's ability to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, the Fund may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. The Fund may also incur additional costs in connection with short sale transactions, including in the event that it is required to enter into a borrowing arrangement in advance of any short sales. Moreover, the ability to continue to borrow a security is not guaranteed and the Fund is subject to strict delivery requirements. The inability of the Fund to deliver securities within the required time frame may subject the Fund to mandatory close out by the executing broker-dealer. A mandatory close out may subject the Fund to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or clearing broker-dealers, may materially impact the Fund's ability to effect short sale transactions. Such action or inaction may include a failure to deliver securities in a timely manner in connection with a short sale effected by a third-party unrelated to the Fund.

American Depositary Receipts and Global Depositary Receipts. From time to time, a portion of the Funds' assets will be invested in ADRs and GDRs (as each term is defined below). American Depositary Receipts ("ADRs") are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by foreign issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global

Depository Receipts (“**GDRs**”) are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a foreign company’s publicly traded securities that are traded on foreign stock exchanges or foreign over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depository receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

Exchange Traded Funds. The Fund buys and sells short shares of ETFs and other similar instruments. These transactions may be used to adjust the Fund’s exposure to the general market or industry sectors and to manage the Fund’s risk exposure. ETFs and other similar instruments involve risks generally associated with investments in a broadly based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, may increase or decrease, thereby affecting the value of the shares of the ETF or other instruments.

Small-Cap and Mid-Cap Risks. The Fund trades equities of small- and mid-capitalization companies. While, in our opinion, the securities of small- and mid-cap issuers may offer the potential for greater capital appreciation than investment in securities of larger-cap issuers, securities of small- and mid-capitalization issuers may also present greater risks. For example, some small- and mid-cap issuers have limited product lines, markets, or financial resources and may be dependent for management on one or a few key persons. In addition, such issuers may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. In addition, due to thin trading in many smaller capitalization stocks, an investment in such stocks may be characterized by reduced liquidity. Further, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is potentially higher than for larger, “blue-chip” companies. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, corporate developments, and market rumors than are the market prices of larger-cap issuers. Transaction costs in securities of small- and mid-cap issuers may be higher than in those of large-cap issuers. There may be less information about small and mid-cap companies than larger cap companies.

Options. From time to time, the Fund invests, in options. In addition, the Fund writes and sells covered and uncovered call and put option contracts. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Similarly, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Options written by the Fund may be wholly or partially covered (meaning that the

Fund holds an offsetting position) or uncovered. Options on specific investments may be used by the Fund to seek enhanced profits with respect to a particular investment. Alternatively, they may be used for various defensive or hedging purposes. For example, they may be used to protect against a future adverse change in the market price of particular portfolio investments held by the Fund without requiring a sale of the investments.

Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. Over-the-counter options that the Fund may use in its investment strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions.

Use of put and call options may result in losses to the Fund, force the sale or purchase of portfolio investments at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the Fund can realize on their investments or cause the Fund to hold an investment it might otherwise sell. For example, a decline in the market price of a particular investment could result in a complete loss of the amount expended by the Fund to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by the Fund. The use of uncovered option writing techniques may entail greater risks of potential loss to the Fund than other forms of options transactions. For example, a rise in the market price of the underlying investment will result in the Fund realizing a loss on the calls written, which would not be offset by the increase in the value of the underlying investments to the extent the call option position was uncovered.

Hedging. The Fund utilizes certain financial instruments and investment techniques for risk management or hedging purposes. There is no assurance that such risk management and hedging strategies will be successful, as such success will depend on, among other factors, our ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategies may also be subject to our ability to correctly readjust and execute hedges in an efficient and timely manner. There is also a risk that such correlation will change over time rendering the hedge ineffective. It may be more difficult to hedge a position in a smaller cap issuer than a larger-cap issuer. The Fund's portfolio is not expected to be completely hedged at all times and at various times we may elect to be more fully hedged and at other times hedged only to a limited extent, if at all. Accordingly, the Fund's assets may not be adequately protected from market volatility and other conditions.

Illiquid Securities. The Funds will not proactively or opportunistically make any investments intended to be illiquid, restricted or difficult to value as of the date of purchase.

Notwithstanding the foregoing, in certain circumstances, general economic or market conditions may adversely affect the liquidity of, or ability to value, certain investments held by the Funds to such a degree that such previously liquid assets are rendered illiquid, restricted or difficult to value. In such event, the General Partner may designate such securities as “Designated Investments”, and all Investors at the date of such designation will participate on a *pro rata* basis in such Designated Investments. Such Designated Investments may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such Designated Investments are often volatile and may not be ascertainable. The resale of restricted and illiquid securities often may have higher brokerage charges. Designated Investments may represent capital not available for withdrawal by Investors. Such investments may be difficult to value.

Purchasing Securities of Initial Public Offering. From time to time the Funds purchase securities that are part of initial public offerings. The prices of these securities may be very volatile. The issuers of these securities may be undercapitalized, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for the Funds to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the issuers of these securities. The Funds may trade securities that are “new issues,” as defined by Rule 5130 promulgated by the Financial Industry Regulatory Authority Inc. Rules 5130 and Rule 5131 restrict certain persons from participating in “new issues.” The Funds’ governing documents provide a mechanism for the purchase of new issues that excludes participation in such investment by any Partner that is deemed restricted.

Swap Transactions. The Fund enters into swap agreements with respect to securities, indexes of securities and other assets or other measures of risk or return. Swap agreements are typically two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to many years. In a standard “swap” transaction, two parties agree to exchange the returns (or the differential in rates of return) earned or realized on particular predetermined investments, instruments, or indices. The gross returns to be exchanged or “swapped” between the parties are generally calculated with respect to a “notional amount.” Whether the Fund’s use of swap agreements will be successful will depend on our ability to select appropriate transactions for the Fund. Swap transactions may be highly illiquid. Moreover, the Fund bears 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. 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 Fund’s ability to terminate existing swap transactions or to realize amounts to be received under such transactions. Swaps and certain other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Foreign Securities. The Fund trades securities of non-U.S. issuers. The Fund’s investments in securities and instruments in foreign markets involve substantial risks not typically associated with investments in U.S. securities. Foreign securities investments may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the U.S. and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of the Fund’s assets denominated in that currency and thereby impact the Fund’s total return on such assets. The Fund may utilize options and forward contracts to hedge against currency fluctuations, but there can be no

assurance that such hedging transactions will be effective.

Investments in foreign securities will also occasion risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of Fund assets and any effects of foreign social, economic or political instability. Foreign companies are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies. Finally, in the event of a default of any foreign debt obligations, it may be more difficult for the Fund to obtain or enforce a judgment against the issuers of such securities.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher in foreign markets than in the U.S. In addition, differences in clearance and settlement procedures in foreign markets may occasion delays in settlements of the Fund's trades affected in such markets.

In addition, changes or modifications in existing judicial decisions or in the current positions of the IRS, either taken administratively or as contained in published revenue rulings and revenue procedures (which changes or modifications may apply with retroactive effect), and the passage of new legislation, could lead to unfavorable treatment of certain non-U.S. investments which could adversely impact the Fund's portfolio.

Other Derivative Investments. Derivative instruments or "derivatives" include futures, options, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement may expose the Funds to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent us from promptly liquidating unfavorable positions and subject the applicable Fund to substantial losses.

Currencies. The Fund invests portions of its assets in instruments denominated in non-U.S. currencies or instruments, the prices of which are determined with reference to currencies other than the U.S. dollar, including, without limitation, options on non-U.S. currencies. The Fund, however, values its securities and other assets in U.S. dollars. We may or may not seek to hedge all or any portion of the foreign currency exposure of the Fund. To the extent unhedged, the value of the assets of the Fund will fluctuate with U.S. dollar exchange rates as well as the price changes of the positions of the Fund in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Fund makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the securities and other financial instruments owned by the Fund in the local markets of such other currencies. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the non-U.S. dollar securities and other financial instruments owned by the Fund.

Risk Factors Applicable to the Private Equity Funds Generally

Small-Cap Risks. The Private Equity Funds' assets are expected to be invested in the securities of small-cap issuers. While, in our opinion, the securities of small issuers may offer the potential for greater capital appreciation than investments in securities of large-cap issuers, securities of small-cap issuers may also present greater risks. For example, small issuers often have limited operating histories, product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and, thus, may create a greater chance of loss than investments in securities of larger-cap issuers. The market prices of securities of small issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers. Transaction costs in securities of small issuers may be higher than in those of large-cap issuers.

Item 9: Disciplinary Information

We are not aware of any legal or disciplinary events that are material to a Client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and none of the foregoing has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

We and the General Partner have claimed an exemption from registration as a commodity pool operator with respect to each applicable Fund pursuant to Rule 4.13(a)(3) under the Commodity Exchange Act of 1936, as amended (the "CEA"), and we have also claimed an exemption from registration as a commodity trading advisor pursuant to Rule 4.14(a)(8) under the CEA.

We will evaluate any material conflicts of interest presented by any proposed relationship or arrangement that we may contemplate with a service provider, broker or similar party that has a material business relationship with the Funds to confirm that the transaction or arrangement is fair and equitable to the investors in the Funds, and on terms that are consistent with arm's-length dealings, and we will review any such arrangement on an ongoing basis thereafter to confirm that there is a continued benefit to the Clients and their

Investors. Currently, we do not have, and are not aware of any of our staff members that has, any relationships or arrangements that pose material conflicts of interest.

The management of multiple client accounts results in a potential conflict of interests when we and our related persons allocate time and investment opportunities among such accounts. For example, our Principal and/or other related persons have a greater portion of their personal assets invested in certain of our client accounts than in others. In addition, the compensation we earn from each client account is expected to differ from the compensation earned from other client accounts. In order to mitigate associated conflicts, we will generally follow documented procedures in allocating investment opportunities among our clients. (See *Item 6 – Performance-Based Fees and Side-By-Side Management*)

Subject to applicable law, we may effect transactions among client accounts (including the Funds) in which one client account will purchase securities from or sell or participate securities to another client account (including client accounts in which we or our related persons may have a significant interest). In order to mitigate any associated conflicts of interests, we effect such transactions only when we believe that such transactions are in the best interests of the applicable clients. In the event that a client account purchases securities from, or sells securities to, another client account, such transactions will be done through third-party broker-dealers or other institutions and will generally be effected for cash consideration at the closing price of the particular security on such day. No brokerage commission or transfer fee will be paid to us or our related persons in connection with any such transaction.

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

Code of Ethics

We have adopted a Code of Ethics, which is designed to help ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, our Code of Ethics sets forth standards of conduct for our employees to ensure that they conduct their business on our behalf in a manner that enables us to fulfill our fiduciary duty to our Clients.

Among other things, our Code of Ethics: (i) governs personal trading by our employees, (ii) contains our policies with respect to gifts and entertainment, (iii) contains our policies regarding certain outside activities of our employees, (iv) sets forth our policies and procedures relating to insider trading, and (v) sets forth the manner in which employees may report violations of law or our policies and procedures. We will provide a copy of our Code of Ethics to any Client or prospective client or investor upon request.

Personal Securities Trading

Employees are generally prohibited from engaging in personal trading, but are able to transact in ETFs, with a minimum holding period, and private investments after obtaining prior written consent of our Chief Compliance Officer (the “CCO”). Additionally, employees are required to provide our CCO with periodic reporting relating to their trading activity and personal accounts. Our policies relating to personal trading also generally apply to an employee’s spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

Participation or Interest in Client Transactions

We make available to qualified prospective investors the opportunity to invest in the Funds. Our Principal, employees and/or other related persons have significant personal investments in certain Funds. In addition, we and our affiliates are entitled to receive performance-based compensation from our clients.

We do not currently expect to engage in principal transactions. We will not do so unless we receive prior client consent and such transaction complies with applicable law.

Item 12: Brokerage Practices

We are authorized to determine the broker-dealer to be used for executing securities transactions for the Funds. We have delegated authority to outsourced trading firms for certain of our Clients' transactions. However, we have the discretion to direct our outsourced traders to use a certain broker for a trade. To the extent that we select broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

Best Execution

In selecting an appropriate broker-dealer to effect a Client trade, we seek to obtain "**Best Execution**," meaning generally the execution of a securities transaction for a Client in such a manner that a Client's total costs or proceeds in the transactions (across the portfolio) are most favorable under the circumstances.

Accordingly, in seeking Best Execution, we will take into consideration the financial strength, integrity and stability of the broker-dealer and the commissions to be paid, and the quality, comprehensiveness and frequency of available research (including discussions with research personnel and research related services).

We have established a Management Committee, which meets on a quarterly basis to evaluate, among other things, the execution that we are receiving from brokers. In conducting its analysis, the committee may consider the factors listed above, among others, and will review gifts and entertainment received, and any known conflicts of interests (e.g., directing commissions to a broker at which a family member is employed).

Research and Other Soft Dollar Benefits

We enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Section 28(e) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), provides a safe harbor that allows an investment adviser to pay more than the lowest available commission in order to obtain research and brokerage products and services. That practice involves a conflict of interest, but Section 28(e) of the Exchange Act provides that it does not breach our fiduciary duty to the Client if the products and services consist of "research" or "brokerage" and certain other conditions and requirements are met.

We use proprietary and third-party research and brokerage products and services provided by brokers that provide value to the investment management activities related to the one or

more Clients. Such research and brokerage products and services could include: reports on or other information about particular companies or industries; corporate access and access to analysts, seminars and conferences relating to securities or investment advice; economic surveys and analyses; recommendations as to specific securities; financial and industry publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software; proxy analysis services and systems, order management systems, quotation services; and other products and services that may enhance our investment decision-making.

We believe it is important to our investment decision-making processes to have access to such research and brokerage products and services. In such circumstances, we will operate within the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e) of the Exchange Act. Nevertheless, the fact that we are being provided with research and brokerage products and services rather than having to produce or pay for such products and services itself presents a conflict of interest and incentivizes us to choose brokers providing such products and services. Any research and brokerage products and services obtained through the use of soft dollar benefits will be used for all of the Clients regardless of whether a particular Client paid for the research or brokerage.

During our last fiscal year, we acquired with client brokerage commissions (or markups or markdowns): (i) research, such as proprietary research from brokers and (ii) research services, such as consultation with industry consultants concerning specific companies, industries or sectors.

Investor Introductions

We receive introductions to Investors through broker-dealers that execute trades on behalf of us. We do not believe that we pay any additional fees or higher commissions as a result of these introductions. We seek best execution on all transactions. However, we may have an incentive to select or use a broker-dealer based on receiving Investor referrals from that counterparty.

Trade Errors

We may on occasion experience errors with respect to trades made on behalf of Client accounts. We will reimburse each Client account for net losses resulting from trade errors in accordance with the terms of the exculpation provisions in such Client's Offering Documents.

Aggregation of Orders

Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for us generally arise when more than one Client account is capable of purchasing or selling a particular security.

To the extent that a security is purchased or sold for more than one Client, we will generally aggregate orders for such security unless aggregation is not consistent with our duty to seek best execution or the terms of the investment guidelines and restrictions applicable to Client accounts. Each Client that participates in an aggregated order will participate at the average price for all of our transactions in that security on a given business day, with transaction costs shared *pro rata* based on each Client's participation in the transaction. When an aggregated

order is only partially filled, we will allocate the investment opportunity *pro rata* in accordance with our intended allocation, as described in Item 6 above.

Item 13: Review of Accounts

Review of Accounts

The Funds' portfolios are reviewed on a regular basis by the Portfolio Manager to ensure that they conform with the investment objectives and guidelines that are stated in the Offering Documents. In these reviews, we pay particular attention to any changes in the investment's fundamentals, overall risk management, and changes in the markets that may affect price levels.

Account Reporting

We will distribute annual audited financial statements with respect to the previous fiscal year to all Investors within 120 days of the relevant Fund's fiscal year end. We may also distribute other interim reports to Investors.

Pursuant to "side letter" or other agreements, we provide certain Investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us (including notifications of redemptions from the Funds by us and/or our personnel), possibly enabling such Investors to better assess the prospects and performance of the Funds.

In addition, Investors may be provided with certain information about us and the Funds in response to questions and requests. This information may not be distributed to other Investors or prospective investors. Each Investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

Item 14: Client Referrals and Other Compensation

We do not currently employ any third-party marketers or solicitors for client referrals. We do not receive economic benefits from non-Clients for providing advice and other advisory services.

Item 15: Custody

We are deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") (*i.e.*, the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end. Further, the Funds' securities and other assets will generally be held in securities accounts at our prime brokers that are "Qualified Custodians" as defined under the Advisers Act.

Item 16: Investment Discretion

We have full discretionary authority over the Funds including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities. Certain Clients impose limitations, such as leverage thresholds as described in its Offering Documents. Under certain circumstances in the future, we may contract with a separately managed account client to adhere to limited risk and/or operating guidelines imposed by that client. We would negotiate such arrangements on a case-by-case basis. (See *Item 16 - Investment Discretion*.)

Item 17: Voting Client Securities

We generally have voting discretion over securities held in our clients' accounts and clients are generally not able to direct their votes in a particular situation. We have adopted proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, we will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, we may determine to abstain from voting a proxy if we believe that such action is in the best interests of a particular client.

In general, we will vote routine matters in accordance with the recommendation of the company's management. Routine matters are typically proposed by management (*i.e.* a company's management, directors, general partners, managing members or trustees) under circumstances where there is not a proxy contest involving such matters. Routine matters generally meet the following criteria: (a) they do not measurably change the structure, management, control or operation of the company; (b) they do not measurably change the terms of, or fees or expenses associated with, an investment in the company; and (c) they are consistent with customary industry standards and practices. Any decision to the contrary will be documented in writing.

For non-routine matters when determining whether a specific proposal is in the best interests of a Fund, we may take into account, among other things, (a) the impact on the value of the securities, (b) the anticipated costs and benefits associated with the proposal, (c) the effect on liquidity, and (d) customary industry and business practices. If the Firm deems that the issue being voted upon is not material for the Funds or the Firm determines that the cost of voting a proxy would exceed the expected benefit to the Funds, the Firm will not be obligated to vote on such matter.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. We are not aware of any financial condition reasonably likely to impair our ability to meet contractual and fiduciary commitments to Clients and have not been the subject of a bankruptcy proceeding.

Item 19: Requirements for State-Registered Advisers

We are not a state-registered adviser.