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This brochure provides information about the qualifications and business practices of Pharo Management, Inc. (“Pharo Management”). If you have any questions about the contents of this brochure, please contact us at the number or e-mail address above. 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 Pharo Management also is available on the SEC’s website at www.adviserinfo.sec.gov.

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None

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Item 4- Advisory Business

Pharo Management was incorporated on February 25, 2019, in the State of Delaware and is based in New York City. It is the successor to Pharo Management LLC, a Delaware limited liability company formed by Guillaume Fonkenell in 2000, which served as an investment adviser to Pharo Macro Fund, Ltd., Pharo Trading Fund, Ltd., Pharo Africa Fund, Ltd., and Pharo Gaia Fund, Ltd. (collectively, the “Pharo Hedge Funds”). Pharo Management LLC registered with the SEC as an investment adviser on February 10, 2012, and with the Commodity Futures Trading Commission (the “CFTC”) as a commodity pool operator (“CPO”) on January 1, 2013. As part of a restructuring of the Pharo group in 2019, Pharo Management LLC converted to a limited partnership under Delaware law, changed its name to Pharo Management, L.P., and contributed its assets, liabilities and business to Pharo Management in exchange for all the issued stock of Pharo Management, making Pharo Management, L.P. the sole owner of Pharo Management. The general partner of Pharo Management, L.P. is Pharo GP LLC, a Delaware limited liability company owned and controlled by Guillaume Fonkenell. Mr. Fonkenell also is the Chief Investment Officer and Chairman of the Board of Directors of Pharo Management.

Pharo Management is registered with the SEC as an investment adviser, having succeeded to the registration of Pharo Management LLC. On March 14, 2019, Pharo Management registered as a CPO with the CFTC. It is a member in good standing of the National Futures Association (“NFA”). Pharo Management, L.P. (formerly Pharo Management LLC) is no longer registered as an investment adviser or CPO.

Pharo Global Advisors Limited (“PGAL”), a Jersey, Channel Islands corporation formed in 2004, served as the Investment Manager of the Pharo Hedge Funds until August 11, 2019. On August 12, 2019, Pharo Management was substituted for PGAL as Investment Manager and assumed the responsibilities and obligations of PGAL under the Investment Management Agreements PGAL had with the Pharo Hedge Funds. PGAL was registered with the Jersey Financial Services Commission, but de-registered on September 23, 2019, when it ceased performing the functions that require JFSC registration.

In 2005, Guillaume moved to London and established Pharo Management (UK) LLP, where he serves as a Member. Pharo Management (UK) LLP serves as an investment advisor to the Pharo Hedge Funds and is authorized by the UK Financial Conduct Authority.

Pharo Management (HK) Limited, located in Hong Kong, was established in 2010 and also serves as an investment advisor to the Pharo Hedge Funds. Pharo Management (HK) Limited is registered with the Hong Kong Securities and Futures Commission.

Pharo Management (UK) LLP and Pharo Management (HK) Limited are affiliates of Pharo Management and are hereinafter referred to as the “Affiliated Investment Advisors”. They each provide discretionary investment advisory services to the Pharo Hedge Funds pursuant to sub-advisory agreements with Pharo Management.

Pharo Management is the Investment Manager of the Pharo Hedge Funds, each of which is a Cayman Islands exempted company registered with the Cayman Islands Monetary Authority pursuant to the Cayman Islands Mutual Funds Act. Pharo Management also is the Manager of Pharo Allocation Fund, Ltd., a Cayman Islands exempted company registered with the Cayman Islands Monetary Authority pursuant to the Cayman Islands Mutual Funds Act. The sole purpose of Pharo Allocation Fund, Ltd. is to facilitate the allocation of investor capital across the Pharo Hedge Funds.

Pharo Management trades primarily in emerging markets across a broad range of global assets. Pharo Management is not restricted in its activities and has authority to trade in any market or situation it believes advantageous to the Pharo Hedge Funds, including investing in developed markets across the same range of asset classes. Pharo Management advises three of the Pharo Hedge Funds but can advise one or all of the Pharo Hedge Funds at any given time pursuant to its Investment Management Agreements with the Pharo Hedge Funds and the capital allocations in effect at such time. Pharo Management may in the future advise other Pharo private funds as well as funds managed by unaffiliated investment managers.

Pharo Management provides discretionary advisory services pursuant to the investment objectives and strategies of the Pharo Hedge Funds disclosed in their respective Information Memorandums.

We tailor our advice to the investment objectives of the Pharo Hedge Funds we advise.

As of December 31, 2021, Pharo Management advised on a discretionary basis \$7,688,000,000 of client assets. This amount represents the internal capital allocation made to Pharo Management from the assets of the Pharo Hedge Funds and differs from the regulatory assets under management (RAUM) disclosed in Item 5.F of Form ADV Part 1A. Item 5.F of Form ADV Part 1A discloses RAUM of \$17,945,203,411, which represents the aggregate RAUM of all the Pharo Hedge Funds, not just the portion of those assets allocated to and managed by Pharo Management. Pharo Management does not manage client assets on a non-discretionary basis.

It is possible that the sum of the capital allocations to Pharo Management’s Portfolio Managers (PMs), together with the capital allocations to the PMs of the Affiliated Investment Advisors, may be higher or lower than the aggregate net asset values of the Pharo Hedge Funds.

Item 5- Fees and Compensation

Pharo Management does not have a standardized fee schedule for its discretionary investment management services. Pursuant to its Investment Management Agreements with the Pharo Hedge Funds, Pharo Management generally receives a monthly management fee equal to one-twelfth of two percent of the net asset value of each fund (2% per annum) and an annual performance fee equal to 20% of the increase, if any, in the value of each series of shares of each fund during each calendar year, subject to a high-water mark. Pharo Management charges a lower management fee and higher performance fee on certain share classes of certain Pharo Hedge Funds. Such fees are disclosed in the Information Memorandum of the applicable Pharo Hedge Funds.

Management fees are charged by Pharo Management monthly in arrears and performance fees are charged annually (although certain funds have a longer performance fee cycle for certain share classes) in arrears and upon an intra-year redemption of shares. Pharo Management's performance-based fees are calculated taking into account both realized and unrealized gains and are based on the overall performance of each Pharo Hedge Fund, which is not dependent entirely on the performance of Pharo Management. The management fees and performance fees paid by each Pharo Hedge Fund are set forth in the Information Memorandum of the Pharo Hedge Fund.

The Administrator of the Pharo Hedge Funds calculates the management fees and performance fees owed to Pharo Management, which are then reviewed and approved by Pharo Management. The fees are then paid by the Administrator to Pharo Management from the assets of the Pharo Hedge Funds. Pharo Management pays the Affiliated Investment Advisors a portion of the management fees and performance fees based upon the terms of its sub-advisory agreements with the Affiliated Investment Advisors.

Pharo Management does not accept compensation for the sale of securities or other investment products, including asset-based sales charges.

The Pharo Hedge Funds pay or reimburse Pharo Management for their operating expenses, including, but not limited to, interest on borrowings and commitment fees and related expenses payable to lenders, accounting, audit and legal fees and expenses, insurance premiums (pro-rated in the case of policies having more than one insured party), custodial fees, registrar and transfer agency fees and expenses, administration fees and expenses, printing, courier and mailing expenses (including the cost of printing a fund's Information Memorandum, Subscription Documents and sales literature and delivering them to existing and potential shareholders), other promotional expenses, organizational expenses, the cost of maintaining the fund's corporate existence and registered office, Directors' fees, the cost of attendance by the Directors at meetings of the Board of Directors,

brokerage commissions and all other investment expenses, fees and expenses incurred in connection with investigating potential investments or seeking to maximize returns on existing investments, costs of business travel related to a fund, transfer taxes, fees and expenses for consulting, research, statistical and risk reporting services, fees of valuation agents engaged by Pharo Management and all extraordinary or non-recurring expenses, including litigation expenses. In addition, Pharo Management may charge the Pharo Hedge Funds a pro rata portion of the cost of preparing and filing Form PF and Form CPO-PQR and other regulatory filings relating to the Pharo Hedge Funds. See **Item 12- Brokerage Practices** for additional information.

When more than one Pharo Hedge Fund incurs a shared expense, Pharo Management or an Affiliated Investment Advisor allocates such shared expense among the applicable Pharo Hedge Funds (i) in proportion to the net asset value of each applicable Pharo Hedge Fund; (ii) in proportion to the size of the investment made by each Pharo Hedge Fund to which the expense relates; (iii) based on the Investment Manager's or the Affiliated Investment Advisors' assessment of the relative benefit derived by each Pharo Hedge Fund from the product or service giving rise to the expense; or (iv) in such other manner as the Investment Manager or the Affiliated Investment Advisors consider fair and reasonable. At any time, the Investment Manager or the Affiliated Investment Advisors may elect to bear certain Pharo Hedge Fund expenses but have no obligation to do so.

When a particular product or service has a mixed-use such that only a portion of its cost is properly treated as a Pharo Hedge Fund expense, the Investment Manager or the Affiliated Investment Advisor makes a good faith effort to reasonably allocate the costs of such product or service according to its use and only allocates to each applicable Pharo Hedge Fund the portion of such costs that constitutes allowable expenses for such Pharo Hedge Fund. The portion of the cost that is not an allowable Pharo Hedge Fund expense is paid for by the Investment Manager or the Affiliated Investment Advisors. In allocating the costs of a mixed-use product or service, the Investment Manager and the Affiliated Investment Advisors have an incentive to allocate as much of the costs as possible to the Pharo Hedge Funds to minimize the amount that the Investment Manager or the Affiliated Investment Advisors must pay directly. To address this conflict of interest, the Investment Manager and the Affiliated Investment Advisors maintain documentation of their methodology for allocating the costs of mixed-use products and services between those that are allowable and non-allowable expenses of the Pharo Hedge Funds. Such documentation is reviewed periodically by the Chief Compliance Officer to determine that the allocations were reasonable.

Item 6- Performance Based Fees and Side by Side Management

See performance based fee description in **Item 5- Fees and Compensation** above. Performance based compensation received by Pharo Management will be in conformity with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

The receipt by Pharo Management of a portion of the performance fees paid by the Pharo Hedge Funds creates an incentive for Pharo Management to take greater risk to increase profits and hence its fees. Such fee arrangements also create an incentive for Pharo Management to favor one Pharo Hedge Fund over another in the allocation of investment opportunities (e.g., if one Pharo Hedge Fund is under its high water mark when other Pharo Hedge Funds are not). In addition, since the value assigned to a portfolio security affects the performance fees received by Pharo Management, any involvement by Pharo Management or the Affiliated Investment Advisors in the valuation process creates a potential conflict of interest.

Pharo Management has adopted and implemented procedures reasonably designed to ensure that all Pharo Hedge Funds are treated fairly and equitably and to prevent any potential conflict from influencing the allocation of investment opportunities.

In addition, Pharo Management’s risk management process is effected through a complex of risk controls at various levels of the portfolio: positions, PM capital allocation, and aggregated portfolio positions. Pharo Management’s Chief Risk Officer and member of the Risk Committee oversees the monitoring of position profit target/stop loss and PM drawdown limits. The risk group is responsible for monitoring and enforcing VaR limits, which are ultimately overseen by the Chief Risk Officer.

Pharo Management and the Affiliated Investment Advisors have a Risk Committee that generally meets once a month to review portfolio positions based on a range of risk metrics. Committee members also meet informally as required to address periodic issues. See also **Valuations** below.

Item 7- Types of Clients

Pharo Management advises the Pharo Hedge Funds pursuant to its Investment Management Agreements. Pharo Management reserves the right to advise other funds, including funds managed by an unaffiliated investment manager. Each of the Pharo Hedge Funds is registered pursuant to Section 4(3) of the Cayman Islands Mutual Funds Act, is a private fund as defined under the Advisers Act, and is not an investment company within the meaning of the Investment Company Act of 1940 in reliance on Section 3(c)(7) of such Act.

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

Investment Strategies

Pharo Management seeks to generate attractive risk-adjusted returns over a market cycle (typically three to five years) by trading primarily in emerging markets across a range of asset classes, including but not limited to foreign exchange, credit, interest rates, commodities and equities. PMs invest across the emerging market universe (e.g., Latin America, Asia, Central and Eastern Europe, Middle East and Africa) as well as the developed markets (e.g., North America, Japan, Western Europe and Australia).

We rely on our experience in trading emerging markets across the economic cycle and in numerous stressed market environments. Pharo Management considers trading of market risk factors to be an important feature of the risk management process. We seek to anticipate the cash flows required by the Pharo Hedge Funds and closely manage the liquidity of the Pharo Hedge Funds' positions to that end.

Pharo Management and the Affiliated Investment Advisors may invest using a computer-driven algorithmic trading system.

There can be no assurances that a Pharo Hedge Fund will achieve its investment objective or that the strategies pursued and methods utilized by Pharo Management will be successful under all or any market conditions.

Instruments

Investments are made in deliverable and non-deliverable currencies and forwards, bonds, listed and over-the-counter futures and options, credit (primarily sovereign, but also, quasi-sovereign and corporate), rates, swaps (including interest rate, cross currency, and total return swaps), caps, collars, floors, volatility, credit derivatives (including single name credit default swaps, credit default swaps referencing a standardized basket of credit entities, credit default swap indices and indices referencing leveraged loans), equities and equity indices, exchange traded funds (ETFs) that track the weighted average performance of a basket of underlying debt or equity securities or portfolios of leveraged loans, forward rate agreements, credit linked notes and other structured products and derivative instruments on a global basis.

There are no restrictions on the types of trading activities Pharo Management is permitted to undertake. We can invest in any situation if we believe the profit opportunity is commensurate with the apparent risk presented by the investment. These investments may include privately issued sovereign and

corporate debt securities, distressed credit and defaulted sovereign bonds. We make all types of investments, including selling short currencies and securities and other investments in the Pharo Hedge Funds' investment universe, buying and selling call and put options, and other types of investments presenting in our view favorable risk/reward characteristics. We utilize margin, debt and other sources of leverage to make certain investments, including short sales. In addition, options trading includes options that are not traded on a securities exchange and options that are listed on registered options exchanges in the United States and elsewhere. One of the purposes of this type of trading activity is to attempt to reduce portfolio exposure to risks arising from price fluctuations in short and long positions. We also engage in options transactions in order to capture the potential for gain in the underlying currencies and securities.

Methods of Analysis

The investment process relies on rigorous analysis of the macroeconomic drivers of the various asset classes that we trade. This fundamental analysis is combined with an equally rigorous focus on market technicals, e.g., market positioning, flows, momentum, correlation, volatility, and acute attention to liquidity at the trade and position level.

Capital is allocated to PMs who have experience in emerging markets. The capital allocation varies by PM. Pharo Management's PMs operate in an open environment with PMs of the Affiliated Investment Advisors, which facilitates a continuous exchange of economic views, investment ideas and trades. The objective of this investment model is to create a team approach to generating ideas and trades, with all the attendant benefits of a multiplicity of views yet retaining the dynamics and accountability of a single decision maker. Most of the PMs, managing the majority of the capital, are generalists in terms of markets and asset classes and can thus trade where they see opportunities as opposed to a more specialist model where a PM is compelled to keep capital employed in a market or asset class even though prospective returns and/or risk are not attractive at the time.

Some PMs spend a significant amount of time on fundamental valuation based on macro drivers (e.g., growth, inflation, fiscal dynamics, balance of payments, domestic politics, etc.) and idiosyncratic factors at the security or instrument level (e.g., issuer cash flow dynamics, real effective exchange rate estimates, inter- and intra-market yield curve analysis, volatility skew and term structure, etc.). Others tend to focus more on market technicals, such as positioning by other market participants, asset class and market specific flows, time series analysis, etc. Holding periods for these PMs tend to be significantly shorter than the more fundamentally oriented PMs. All PMs pay attention to both fundamental and technical factors.

Investment research is the responsibility of the PMs. They are supported by in-house economists and research analysts in credit, macroeconomics and risk. Analysts focus their research on specific market opportunities.

Pharo Management receives a large supply of research from external sources, including a wide variety of trading counterparties.

PMs typically rely on their own primary research and internal discussions for underlying investment decisions, but will often look for external sources to corroborate or make them question internal assumptions, analyses and conclusions. Technical surveys are also monitored to inform the PMs of market positioning.

Certain Risk Factors

Investing in the instruments described above involves risk and the possibility for the loss of principal. What follows is a summary of the material risks involved with the investment strategies and financial instruments used by Pharo Management. For a more comprehensive description of the risks associated with an investment in one of the Pharo Hedge Funds, including certain non-investment related risks, investors should carefully review the Risk Factors section of the Information Memorandum of the relevant Pharo Hedge Fund, copies of which are available upon request.

There can be no assurance that Pharo Management's investment strategy will be successful or that the Pharo Hedge Funds will not suffer losses. An investment in the Pharo Hedge Funds should not be made by any person who cannot afford a total loss of their principal. Emerging markets are subject to a wide array of domestic as well as global risk factors.

Overall Investment Risk. All investments in currencies, securities and commodity interests risk the loss of capital. The nature of the currencies, securities and commodity interests purchased and traded by the Pharo Hedge Funds and the investment techniques and strategies employed by Pharo Management increase this risk. While we will use our best efforts in the management of the Pharo Hedge Fund portfolios, there can be no assurance that the Pharo Hedge Funds will not incur losses. Many unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments, will cause sharp market fluctuations which could adversely affect the portfolio and performance of a Pharo Hedge Fund.

Transactions in Currencies, Securities and Commodity Interests. There is no assurance that Pharo Management will correctly evaluate the nature and magnitude of the various factors that could affect the prospects of the currencies, securities and commodity interests purchased or sold short. The Pharo Hedge Funds may lose their entire investment or be required to accept cash or other consideration with a value less than their original investment.

Highly Volatile Markets. The movement of currencies and the prices of financial instruments in which Pharo Management invests can be highly volatile and be 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. The effect of such factors on exchange rates, interest rates, the prices of securities and commodity interests in general, or a particular security or commodity interest, is difficult to predict. In addition, there is unpredictability to the change in general economic conditions, which affect the profitability of the investment strategy.

Emerging Market Currencies and Securities. We will invest in foreign currencies and foreign currency-related products of emerging market countries, securities of issuers located within such countries and in other financial instruments denominated in various currencies. These types of investments entail risks in addition to those involved in investments in securities of issuers from developed countries due to exchange rate fluctuations, possible exchange controls, less publicly available information, different accounting and auditing standards, more volatile markets, less securities regulation, less favorable tax provisions (including possible withholding taxes), political and social upheaval, war or expropriation. Securities of emerging market issuers also may be less liquid and more volatile than U.S. securities and may involve higher transaction and custodial costs

Currency and Exchange Rate Risks. One of Pharo Management's principal strategies involves investing in and selling short currencies of emerging market countries. Accordingly, substantial portion of the income generated by our investments will be denominated in currencies other than the U.S. dollar, euro, Swiss franc, British pound sterling, Japanese yen or Chinese renminbi, which are the currencies in which the various share classes of the Pharo Hedge Funds are dominated. The Pharo Hedge Funds convert such foreign currency income to US dollars and hedge, as Pharo Management deems necessary, the currency risk to the currencies of the Pharo Hedge Fund share classes. We also invest in securities denominated or quoted in currencies other than the U.S. dollar, euro, Swiss franc, British pound sterling, Japanese yen or Chinese renminbi. Changes in currency exchange rates will affect the value of our portfolio. Further, the Pharo Hedge Funds incur costs in connection with conversions between various currencies. Shareholders in the Pharo Hedge Funds will remain subject to substantial exchange-rate risk and to the extent that such risk is hedged will be subject to material hedging costs.

Our exposure to direct and indirect investments in currencies other than the U.S. dollar, euro, Swiss franc, British pound sterling, Japanese yen or Chinese renminbi will be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate among such currencies.

Pharo Management will enter into futures and forward contracts and options on currencies in U.S. and non U.S. markets, for both investment and hedging purposes. With regard to the latter, there is no certainty that instruments suitable for hedging currency shifts will be available at the time Pharo Management wishes to use them.

Sovereign Debt and Risks of Government Intervention. Pharo Management invests in sovereign debt the prices of which are subject to certain risks arising from government regulation of or intervention in the markets, through regulation of the local market, restrictions on foreign investments or limits on inflows of investment funds. Such regulation or intervention could adversely affect the performance of such investments. Pharo Management deals in investments issued or guaranteed by sovereign governmental entities that present the risk of loss in the event of a default by a government or governmental entity.

Russia-Ukraine Risk. The Pharo Hedge Funds invest in sovereign bonds issued by, and securities and instruments that are economically tied to, Russia and Ukraine. The outbreak of war between Russia and Ukraine and its impact on markets and the global economy could have a material adverse effect on the Pharo Hedge Funds. The war has already affected oil and gas and other commodity prices, disrupted supply chains, and led to significant volatility in the financial markets. Due to the uncertainty of the geopolitical tensions in Russia and Ukraine, investments in these countries are subject to political, economic, legal, market and currency risks. Sanctions imposed on Russia by the U.S., U.K., EU and other Western countries already have reduced liquidity and restricted the ability of the Pharo Hedge Funds to transact in certain markets and with certain counterparties. These sanctions, together with the market disruption caused by the war, will impact many sectors of the global economy and have negatively affected the performance of the Pharo Hedge Funds.

Sanctions. Pharo Management invests in debt securities issued by other governments or state- owned entities that are or may become subject to sanctions imposed by the U.S., the EU, other countries and governmental organizations the effect of which may be to restrict their transferability and adversely affect their market value. The Pharo Hedge Funds may be required to hold such securities for an extended period of time or, if required to liquidate their positions in such securities, such liquidation may be taken at a substantial discount to the price paid by the Pharo Hedge Funds for the securities or result in an entire loss of the value of the securities.

Fixed Income Securities. Pharo Management takes long and short positions in bonds and other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities; and commercial paper. Such securities and instruments have speculative characteristics. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Pharo Hedge Funds invest will change in response to fluctuations in interest rates. Generally, when interest rates decline, the value of a long fixed income position can be expected to rise while that of a short fixed income position can be expected to decline. Conversely, when interest rates rise, the value of a long fixed income position can be expected to decline while that of a short fixed income position can be expected to rise. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of creditworthiness, political

stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

Distressed Securities. The Pharo Hedge Funds may invest in public and private debt securities issued by emerging market companies experiencing financial or business distress. Such investments involve a substantial degree of risk of loss of principal and interest.

Liquidity of Markets and Investments. The markets in which we transact have in the past experienced illiquidity and thus are subject to such risk in the future. During periods of market illiquidity, we may not be able to sell assets in the portfolio or may only be able to do so at unfavorable prices. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which we transact in certain derivative instruments could prevent prompt liquidation of positions, thereby increasing the potential for greater loss.

Forward Trading. We invest in forward contracts and options thereon. Such contracts and options, 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 due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading. Market illiquidity or disruption could result in significant losses.

Derivative Transactions Generally. The Pharo Hedge Funds engage in derivative transactions such as swaps, collars, caps, and floors, both for hedging purposes and as an alternative to direct investments in the underlying currencies or securities. Derivatives involve credit risk (the risk that a counterparty on a derivative transaction will not fulfill its contractual obligations), as well as special legal, documentation, operational, and reputational risks in addition to the economic and other risks associated with the direct purchase or sale of the underlying currencies or securities to which their values are related. Risk of economic loss is increased if a derivative is leveraged. A derivative transaction can be cleared with a clearing house or executed over-the-counter (OTC). Cleared derivatives will be contracts between the Pharo Hedge Fund and a regulated clearinghouse and will have some of the risk factors previously associated

exclusively with futures contracts. OTC derivatives are contracts with a single counterparty.

Credit Default Swaps. In addition to trading cleared derivatives referencing broad-based credit indices and standardized baskets of credit entities, the Pharo Hedge Funds will enter into OTC single-name credit default swaps and loan credit default swaps, both as a hedge against the portfolio's credit risk and as a means of synthetic investment in credit risk. In addition to general market risk, liquidity risk, and credit risk, OTC credit default swap agreements are subject to the same counterparty risk inherent in other OTC derivative transactions. To the extent the Pharo Hedge Funds are the protection buyer in such a transaction there is no assurance that its counterparty will be able to satisfy its obligation to make payments under the credit default swap in the event of a credit event. Exchange traded credit default swaps, for which a clearinghouse acts as a central counterparty, reduce or eliminate counterparty risk and provide greater transparency of executed credit default swap trades, which has led to greater standardization in the marketplace.

Credit Linked Notes. Credit Linked Notes ("CLNs") are issued by special purpose companies or trusts and have the characteristics of a bond but with an embedded credit default swap tied to a particular underlying credit or basket of credits. A CLN exposes the Pharo Hedge Funds to the credit risk of both the issuer of the CLN and the underlying credit or basket of credits.

Default and Counterparty Risk. We will invest a portion of the assets we manage in the debt securities of private and governmental issuers, thus exposing such assets to the credit and political risk of the issuer. Adverse changes in financial, economic and political conditions could cause an issuer to default on its obligations.

In addition, many of the markets in which we effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets may not be subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Pharo Hedge Funds to the risk that their counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Pharo Hedge Funds to suffer a loss. In addition, in the case of a default, the Pharo Hedge Funds 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 we have concentrated transactions with a single or small group of counterparties. We are not restricted from dealing with any particular counterparty or from concentrating any or all of our transactions with one counterparty. Moreover, neither we nor the Pharo Hedge Funds have an internal credit function which evaluates the creditworthiness of its counterparties. Our ability to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the

absence of a regulated market to facilitate settlement increases the potential for losses.

Equity Securities. Our investment portfolios may include positions in equities and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of the issuer, the market and industry in which the issuer competes, and the general economic environment.

Trading on Emerging Market Exchanges. Pharo Management will trade on exchanges where the protections provided by U.S. regulations do not apply. Some non-U.S. exchanges, for example, in contrast to U.S. exchanges, are “principals’ markets” in which performance with respect to a contract is the responsibility only of the individual member with whom the trader has entered into the contract and not of the exchange or its clearinghouse, if any. Due to the absence of a clearing house system on certain foreign markets, such markets are significantly more susceptible to disruptions than are U.S. exchanges and, therefore, trading thereon potentially is subject to greater risks than trading in the United States. In the case of trading on emerging market exchanges, the Pharo Hedge Funds will be subject to the risk of the inability of or refusal by their counterparties to perform with respect to its contracts. We also may not have the same access to certain trades as do various other participants in these markets.

Trading in Options. We purchase and sell covered and uncovered put and call options on securities, currencies and commodities on national and international exchanges and over-the-counter markets. The risks in trading options are different from the risks in trading the underlying instruments and can provide a greater potential for profit and loss. The potential for loss from such transactions depends on whether the Pharo Hedge Fund is the seller (“writer”) of the option or the buyer of the option and can range from the loss of the premium paid for an option that expires worthless to a theoretically unlimited loss in the case of the sale of an uncovered call option.

Futures. Pharo Management will engage in transactions in commodity futures contracts, options on futures contracts and in other products which may be traded on commodities exchanges regulated by the CFTC or international exchanges. Futures prices are highly volatile. Because the margin deposit required for a futures contract is typically low, futures contracts involve a high degree of leverage and a small commitment of cash or its equivalent may allow the Pharo Hedge Funds to hold futures contracts of substantially greater value. As a result, price fluctuations may result in profits or losses disproportionate to the amount deposited as margin.

Private Placements and Unregistered Securities. We may purchase equity, convertible securities, and fixed income obligations the disposition of which may be restricted under the Securities Act of 1933 and other applicable law. Whether or not so restricted, the market to resell such securities will be illiquid. Therefore, such investments may be required to be held for a lengthy period of

time or, if we were forced to liquidate positions in such securities, such liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such investment.

Short Sales. Pharo Management will affect short sales of currencies and securities in those instances when we believe that a given currency or security is over-valued or over-priced, or as part of a hedging strategy. Short sales are transactions in which we sell a currency or security that a Pharo Hedge Fund does not own (if a security, by borrowing such security) in anticipation of a decline in the market value of the currency or security. Although the gain is limited by the price at which we sold the currency or security short, losses from short sales will be unlimited if the currency or security sold short continues to appreciate. Additionally, even though a Pharo Hedge Fund secures a “good borrow” of a security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the Pharo Hedge Fund to purchase the security at the then prevailing market price, which may be higher than the price at which such security was originally sold short.

Regulations restricting the use of short sales adopted in the U.S., EU and UK may prevent Pharo Management and the Affiliated Investment Advisors from using short sales to hedge certain positions. In addition, these regulations may lead to crowded shorts and increased borrowing costs. The specific regulations in effect at any given time vary with regulators’ perceptions of market risk and it is not possible to gauge what, if any, regulations will be in effect in the future.

Concentration of Investments. Pharo Management assumes at certain times concentrated investment positions (relative to capital). A loss in any such position could have a material adverse impact on a Pharo Hedge Fund’s capital.

Leverage. When deemed appropriate and subject to applicable regulations, Pharo Management will use leverage in its investment program. We will obtain leverage in any manner deemed appropriate, including by borrowing to buy currencies and securities or by entering into repurchase agreements and derivative transactions that have the effect of leveraging investments.

Margin. We will borrow to buy currencies, securities and commodity interests on margin or to make other investments. In the event of a sudden, precipitous drop in value of any assets acquired with borrowed funds, we might not be able to liquidate assets quickly enough to meet margin or borrowing obligations. Also, because acquiring and maintaining positions on margin allows us to control positions worth significantly more than the investment in those positions, the amount that the Pharo Hedge Funds stand to lose in the event of adverse price movements is high in relation to the amount of the investment.

Repurchase Agreements. The Pharo Hedge Funds will obtain leverage by entering into repurchase agreements whereby they sell portfolio securities to a bank, broker-dealer or other counterparty and agree to repurchase the securities at a later date for the same price plus interest. The Pharo Hedge Funds will

continue to receive any principal and interest payments on the underlying securities during the term of the agreement. They are, however, subject to the risk that their counterparty may not be able to return the same or equivalent securities at the end of the transaction.

Derivative Transactions. We will also obtain leverage through over-the-counter derivative transactions with various financial institutions. These derivative transactions expose the Pharo Hedge Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Pharo Hedge Funds to suffer a loss. In addition, in the case of a default, the Pharo Hedge Funds could become subject to adverse market movements while replacement transactions are executed.

To the extent we obtain leverage through derivative transactions, the Pharo Hedge Funds may not legally or beneficially own the securities upon which the return derived under the derivative is based. Uncertainties as to the valuation of those securities could also have an impact on the derivative transactions entered into and the determination of the net asset value of the the Pharo Hedge Funds. The counterparties or their affiliates will typically assign valuations to the securities underlying a derivative transaction, but such valuations could prove to be incorrect.

Loans of Portfolio Securities. The Pharo Hedge Funds will from time to time lend securities from their portfolios to brokers, dealers and financial institutions and receive collateral in the form of cash or securities. The Pharo Hedge Funds will retain all rights of beneficial ownership as to the loaned portfolio securities, including voting rights and rights to interest or other distributions, and will have the right to regain record ownership of loaned securities to exercise such beneficial rights. Such loans can be terminable at any time. The Pharo Hedge Funds may pay finders', administrative and custodial fees to persons unaffiliated with the Pharo Hedge Funds in connection with the arranging of such loans.

Reverse Repurchase Agreements. The Pharo Hedge Funds may enter into reverse repurchase agreements in order to borrow securities needed to cover short positions. In a reverse repurchase agreement a Pharo Hedge Fund purchases a security from a bank or broker-dealer that agrees to repurchase the security at the Pharo Hedge Fund's cost plus interest within a specified time. The Pharo Hedge Fund is subject to the risk that the party agreeing to repurchase the security may default, as a result of bankruptcy or otherwise, leaving the Pharo Hedge Fund holding the security. The Pharo Hedge Fund may seek to sell the security, which could involve costs or delays in addition to a loss if the value of the security should fall below its repurchase price. In addition, if the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the ability of the Pharo Hedge Fund to dispose of the underlying security may be restricted.

Stock Index Futures. The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of

certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause temporary price distortions. Successful use of stock index futures contracts is subject to our ability to correctly predict movements in the direction of the market.

Single-Stock Futures. Trading futures on individual stocks and narrow-based security indexes involves contracts (collectively, “Securities Futures”) that are priced, valued and margined much like a stock index futures contract. The limited market for Securities Futures affects the liquidity of such instruments. In addition, other potential issues, including certain regulations, related to the trading and sale of Securities Futures affect both the liquidity and the risk of these instruments. Furthermore, trading in Securities Futures typically involves a high degree of leverage that carries inherent risks.

Trading in Indices and Financial Instruments. Pharo Management trades broad-based indices, including synthetic credit default swap indices, and instruments that replicate indices. The effect of governmental intervention will be significant at certain times in indices and financial instrument futures and options markets and such intervention (as well as other factors) will cause these markets to move rapidly in the same direction because of, among other things, interest-rate fluctuations.

Exchange Traded Funds (ETFs). Exchange traded funds (ETFs) represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or leveraged loans, which are designed to generally correspond to the price and yield performance of their underlying indexes, either broad stock market, stock industry sector, international stock, bond or leveraged loan. Although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indexes, ETFs will not be able to exactly replicate the performance of the indexes because of their expenses and other factors.

Use of Computer Driven Strategies; Risk of Systems Failure. A portion of a Pharo Hedge Fund’s portfolio may be invested using a computer-driven algorithmic trading system. There is no assurance that trading decisions based on computer-generated information will be successful or will not expose the Pharo Hedge Funds to significant losses. There may be flaws in the trading system itself and the data feeds (both internal and external) on which the system relies. Furthermore, underlying patterns that form the basis for the trading system may change in unanticipated ways, causing the system to fail to identify a trend on which action should be taken or to overreact to minor price movements and thus establish a position contrary to overall price trends. The effectiveness of a

computer-driven trading system may diminish over time if Pharo Management and the Affiliated Investment Advisors are unable to correct or update the data or operational parameters used by the system to take into account market, economic, and governmental changes. In addition, any failure in any component of the technology infrastructure on which a computer-driven trading system relies could have a material adverse effect on the implementation of that strategy.

Effectiveness of Risk Reduction Techniques; Hedging Transactions.

We employ various risk reduction strategies and utilize a variety of financial instruments, such as derivatives including options and forward contracts, both for investment purposes and for risk management purposes. A substantial risk remains, nonetheless, that such strategies will not always be possible to implement and when possible will not always be effective in limiting losses. If we analyze market conditions incorrectly, or employ a risk reduction strategy that does not correlate well with the investments, such risk reduction techniques could result in increased volatility, poorer overall performance or even a loss. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged, such as credit risk of certain issuers (relating both to particular securities and counterparties), as well as risks to which we choose to expose the Pharo Hedge Funds as part of their investment strategies. We are not obligated to, and may elect not to, hedge against certain risks.

Portfolio Turnover. Pharo Management has not placed any limits on the rate of portfolio turnover and portfolio securities will be sold without regard to the time they have been held when, in our opinion, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate.

Limited Liquidity of Some Investments. Some of the securities in which we invest are or may become relatively illiquid, because they are thinly traded, they are subject to transfer restrictions, or the circumstances of the Pharo Hedge Funds' ownership of them give rise to practical or regulatory limits on the Pharo Hedge Funds' ability to liquidate quickly. Pharo Management will not be able to promptly liquidate those investments if the need should arise, and a Pharo Hedge Fund's ability to realize gains, or to avoid losses in periods of rapid market movements, will therefore be affected. In addition, the value assigned to such securities for purposes of determining net profits and net losses may differ from the value the Pharo Hedge Funds are ultimately able to realize.

Pharo Africa Fund "Frontier" Risk. Although Pharo Africa Fund, Ltd. trades the same type of instruments as the other Pharo Hedge Funds and pursues a similar strategy, the geographic focus of Pharo Africa Fund, Ltd. exposes it to certain emerging market "frontier" risks that are not present in the other Pharo Hedge Funds to the same extent. Interested investors should carefully review the Risk Factors section of the Pharo Africa Fund, Ltd. Information Memorandum for a description of these additional strategy risks.

Insolvency of Brokers and Others. The Pharo Hedge Funds will be subject to the risk of failure of the brokerage firms that execute their trades, the clearing firms that such brokers use, or the clearing houses of which such clearing firms are members. In relation to the Pharo Hedge Funds' right to the return of assets equivalent to their investments to which legal and beneficial title has been transferred to a prime broker, the Pharo Hedge Funds will rank as one of such prime broker's unsecured creditors and, in the event of the insolvency of the prime broker, the Pharo Hedge Funds may not be able to recover such equivalent assets in full. In addition, cash held with the prime broker will not be segregated from the prime broker's own cash and will be used by the prime broker in the course of its business and the Pharo Hedge Funds will, therefore, rank as an unsecured creditor in relation thereto.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN PHARO MANAGEMENT'S INVESTMENT STRATEGY. POTENTIAL INVESTORS IN THE PHARO HEDGE FUNDS MUST READ THE ENTIRE INFORMATION MEMORANDUM AND ALL RELATED OFFERING DOCUMENTS OF THE APPLICABLE PHARO HEDGE FUND BEFORE DETERMINING WHETHER TO INVEST IN THAT FUND. POTENTIAL FUND INVESTORS AND CLIENTS WHO SEEK TO HAVE THEIR ASSETS MANAGED PURSUANT TO PHARO MANAGEMENT'S INVESTMENT STRATEGY SHOULD OBTAIN PROFESSIONAL GUIDANCE FROM THEIR TAX AND LEGAL ADVISERS IN EVALUATING ALL OF THE TAX IMPLICATIONS AND RISKS INVOLVED IN INVESTING IN THE APPLICABLE FUND OR ENTERING INTO AN INVESTMENT ADVISORY AGREEMENT WITH PHARO MANGEMENT. CLIENTS SEEKING AN INVESTMENT ADVISORY AGREEMENT SHOULD REFER TO YOUR PROPOSED INVESTMENT ADVISORY CONTRACT FOR ADDITIONAL RISK FACTORS THAT MAY APPLY TO YOUR ACCOUNT.

Item 9- Disciplinary Information

None

Item 10- Other Financial Industry Activities and Affiliations

Pharo Management is a related person of the Affiliated Investment Advisors. Pharo Management is the Investment Manager of the Pharo Hedge Funds and the Affiliated Investment Advisors provide discretionary investment advisory services to the Pharo Hedge Funds. See **Item 4- Advisory Business** above.

Guillaume Fonkenell is Member of Pharo Management (UK) LLP and is registered with the United Kingdom Financial Conduct Authority ("FCA") and holds two senior management functions- SMF1: CEO and SMF27: Partner. He is also

listed as a principal with the NFA on behalf of Pharo Management, in its capacity as a CPO. He owns, directly or indirectly, Pharo Management and the Affiliated Investment Advisors and serves as Chief Investment Officer of Pharo Management and the Affiliated Investment Advisors.

Mr. Fonkenell has capital allocations from the Pharo Hedge Funds managed by Pharo Management. Mr. Fonkenell has personal investments of various sizes in the Pharo Hedge Funds. In addition, employees of Pharo Management and the Affiliated Investment Advisors may also have deferred compensation balances invested in the Pharo Hedge Funds including those over which they have investment discretion.

As a result of the above, Mr. Fonkenell's time is split among Pharo Management and the Affiliated Investment Advisors, which creates a conflict should one or more of them require a disproportionate amount of his attention. In addition, Mr. Fonkenell's investment advice is spread across multiple Pharo Hedge Funds in which he has personal investments of various sizes. These circumstances create a conflict of interest in dedicating his resources with regard to his investment analysis, which vary by Pharo Hedge Fund. Mr. Fonkenell's personal investments as well as other PMs deferred compensation balances (which may be invested in the Pharo Hedge Fund they advise) also create a conflict of interest as they stand to gain personally by the performance of the Pharo Hedge Funds over which they have discretionary authority.

Because of Mr. Fonkenell's ownership of Pharo Management and the Affiliated Investment Advisors and his managerial responsibilities and portfolio management roles with Pharo Management and the Affiliated Investment Advisors, Mr. Fonkenell is deemed a key man risk.

Jeff Hanlon, Pharo Management's CFO, is also registered with the FCA holding senior management function SMF27: Partner on behalf of Pharo Management (UK) LLP. Mr. Hanlon's time is therefore split among both entities, which will create a conflict of interest by disproportionately allocating his time to one of the companies. In addition, Mr. Hanlon is a registered principal and Associated Person of Pharo Management in its capacity as a registered CPO. He is also a member of the NFA.

These inter-company affiliations and the conflicts of interest they create are mitigated by the following:

1. Pharo Management has personnel with significant managerial and portfolio management experience. This allows it to manage the portfolios of the Pharo Hedge Funds using a team approach that is not dependent on any one person.
2. Pharo Management has implemented investment allocation policies that require fair and equitable allocations among the Pharo Hedge Funds over time on an overall basis. Investment opportunities that

are allocated to more than one Pharo Hedge Fund or client account may not necessarily be done on a *pro rata* basis.

These procedures are monitored by the CCO or his designee to detect if one Pharo Hedge Fund is being favored over another.

Other Potential Conflicts of Interest

Pharo Management will use its best efforts in connection with the objectives of the Pharo Hedge Funds and will devote as much of our time and effort to the affairs of the Pharo Hedge Funds that in our judgment is necessary to accomplish the objectives of the Pharo Hedge Funds. Pharo Management may conduct any other business, including any business within the securities industry, whether or not such business is in competition with the Pharo Hedge Funds. Without limiting the generality of the foregoing, Pharo Management, its members, officers, directors and principals may act as investment advisor or investment manager for others, may manage multiple hedge funds or capital for others, may make and hold investments in their own name or through other entities, and may serve as a manager, consultant, partner or stockholder of one or more hedge funds, partnerships, securities firms or advisory firms.

Investment and Trading Opportunities

Pharo Management gives advice and recommends securities to, and buys or sells securities for, multiple Pharo Hedge Funds. Our advice and recommendations may differ between the Pharo Hedge Funds even though their investment programs, objectives and strategies are similar. Accordingly, Pharo Hedge Funds with similar strategies may not hold the same securities or instruments or achieve the same performance. We may also advise hedge funds with conflicting investment programs, objectives and strategies and transactions entered into for those funds could conflict with the transactions and strategies we use in managing the Pharo Hedge Funds, affecting prices and the availability of securities and instruments in which the Pharo Hedge Funds invest. Pharo Management will act in a fair and equitable manner in allocating investment opportunities among the Pharo Hedge Funds and other investment vehicles it manages.

Valuations

The net asset values of the Pharo Hedge Funds are determined by their Administrator. Since the value assigned to portfolio securities affects the performance fee paid by each Pharo Hedge Fund to Pharo Management, the involvement by Pharo Management or the Affiliated Investment Advisors in the valuation process will create a potential conflict of interest. If and to the extent that Pharo Management or the Affiliated Investment Advisors are responsible for or otherwise involved in the pricing of any portfolio securities or other assets, the Administrator may accept, use and rely on such prices in determining the net asset values of the Pharo Hedge Funds.

Pharo Management, on the advice of the Affiliated Investment Advisors, may in its sole discretion take the following actions with regard to valuations: for any security which is listed or quoted on any securities exchange, adjust the mean based upon bid/asked prices on which a valuation is based taking into account size of holdings; where prices for a security are available on more than one exchange or system, determine the exchange or system that provides the fairest criteria to value such security; for investments other than securities that can be dealt in or traded on more than one market, determine the market that shall prevail; for any security which is not listed or quoted on any securities exchange or similar electronic system or if so listed or quoted is not regularly traded thereon or no prices are available, determine the securities probable realization value in good faith on factors deemed relevant; for investments or cash valued in a currency other than US dollars, determine the rate deemed applicable at the close of business on the relevant valuation date taking into account any premium or discount deemed relevant to costs of exchange.

The Directors of the Pharo Hedge Funds are ultimately responsible for the valuation policies and procedures adopted by the Pharo Hedge Funds. The Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects fair value and is in accordance with sound accounting practices.

All values assigned to securities held by the Pharo Hedge Funds shall be final, binding and conclusive on all of the Pharo Hedge Funds' shareholders.

Trade Errors

Trade errors can result in losses but may also result in gains. Pharo Management will endeavor to detect trade errors prior to settlement and correct and or mitigate them in an expeditious manner. To the extent an error is caused by a third party, such as a broker, Pharo Management will strive to recover any losses associated with such error from such third party. Unless a trade error is determined to be by acts or omissions that are the result of Pharo Management's fraud, willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations pursuant to its Investment Management Agreements, losses will be borne by (and any gains will benefit) the Pharo Hedge Funds to the extent permitted by applicable law.

Cross Trades; Principal Transactions

Pharo Management and the Affiliated Investment Advisors from time to time direct trades in securities or financial instruments between the Pharo Hedge Funds ("cross-trades"). Pharo Management and the Affiliated Investment Advisors believe that cross-trading provides various benefits to the Pharo Hedge Funds, including obtaining a better price by eliminating the bid/ask spread in the market, eliminating market slippage, and generally eliminating or reducing other transaction costs. Pharo Management and the Affiliated Investment Advisors, in their discretion, determine the securities or financial instruments to cross-trade

between and among the Pharo Hedge Funds. All cross-trades will be affected through brokers at market prices.

Because of the level of equity ownership by the principals of Pharo Management and the Affiliated Investment Advisors in certain Pharo Hedge Funds that enter into cross trades, such transactions may be deemed principal transactions for purposes of the Advisers Act. Pharo Management and the Affiliated Investment Advisors face various conflicts of interest when they engage, through the Pharo Hedge Funds, in principal transactions, including but not limited to the fact that they have an incentive to price securities in principal trades in a manner advantageous to the Pharo Hedge Fund in which they participate, sell unwanted securities from such funds, or cause such funds to purchase desirable securities from the other Pharo Hedge Funds. To address these conflicts of interest, these principal transactions (like all cross trades) will be effected through brokers at market prices, and before any principal transaction is settled, the material terms of the transaction, including the security or securities involved, the capacity in which Pharo Management and the Affiliated Investment Advisors acted, the manner in which the trade was executed, and the price at which the trade was consummated, will be fully disclosed to the Directors of the respective Pharo Hedge Funds in writing. The Pharo Hedge Funds will cancel any such principal transaction unless the Directors, after reviewing the terms of the transaction, approve the transaction in writing.

1859 Cloud Limited (Investment Sharing Platform)

Guillaume Fonkenell owns a minority interest in 1859 Cloud Limited (“1859 Cloud”), an R&D-focused start-up that developed and operates an invitation-only investment idea sharing platform (“Investment Sharing Platform”) that allows its members to share investment ideas on an anonymous basis.

Although he has been an infrequent participant on the Investment Sharing Platform, Mr. Fonkenell has anonymously posted trade ideas and commented on the trade ideas posted by others and expects to continue to do so. Some of the trade ideas posted by Mr. Fonkenell may be outside the investment strategy of the Pharo Hedge Funds or otherwise not suitable for the Pharo Hedge Funds. However, some trade ideas that he posts will be trades in sovereign bonds or other securities or currencies in which the Pharo Hedge Funds may have an existing position.

Pharo Management and the Affiliated Investment Advisors monitor Mr. Fonkenell’s activity on the Idea Sharing Platform and have implemented policies and procedures reasonably designed to ensure that such activity is conducted in a manner that is both consistent with their fiduciary obligation to the Pharo Hedge Funds and in compliance with applicable securities laws. However, in certain limited circumstances, these policies and procedures could operate to restrict temporarily the ability of the Pharo Hedge Funds to trade the security that is the subject of a posting. Any such restriction could have an adverse effect on the Pharo Hedge Funds if Pharo Management and the Affiliated Investment Advisors

are unable to sell a security or close out a position that is declining in value. Mr. Fonkenell's activity on the Investment Sharing Platform therefore creates a potential conflict of interest with the Pharo Hedge Funds.

In the first quarter of 2019, 1859 Cloud launched the 1859 Origin Fund, a multi-strategy hedge fund that invested in liquid asset classes based on an algorithmic, quantitative trading model that used data inputs from multiple sources, including the anonymous trade ideas posted by members to the Investment Sharing Platform. Mr. Fonkenell made personal investments in the 1859 Origin Fund. As of the date of this brochure, the 1859 Origin Fund is being wound down and capital is in process of being returned to its investors.

Mr. Fonkenell also owns minority interests in the 1859 Origin Fund's sub-advisor, 1859 Capital Services Limited, and its manager, 1859 Management Limited. 1859 Capital Services Limited and 1859 Management Limited are not currently active.

Family Office Advisory Panel

Mr. Fonkenell serves on the Advisory Panel of a family office established by a cousin, and in that capacity from time to time offers advice on investments being considered by the family office's Investment Committee. Some of those investments may be in bonds or other securities in which one of the Pharo Hedge Funds is actively considering taking a position or has an existing position.

Pharo Management has implemented policies and procedures reasonably designed to ensure that Mr. Fonkenell's activity on the family office Advisory Panel is conducted in a manner that is both consistent with Pharo Management's fiduciary obligation to the Pharo Hedge Funds and in compliance with applicable securities laws. Pursuant to these policies and procedures, Mr. Fonkenell will not advise the family office on any trade that is under active consideration by him for a Pharo Hedge Fund until after the Pharo Hedge Fund has made the investment or decided not to invest, unless it is determined by Mr. Fonkenell that the trade by the family office is not likely to move the market in such security. Where Mr. Fonkenell advises the family office on bonds or other securities in which a Pharo Hedge Fund has an existing position, in certain limited circumstances the Pharo Hedge Fund could be restricted temporarily from trading the security, which could have an adverse effect on the fund. Mr. Fonkenell's activity on the family office Advisory Panel therefore creates a potential conflict of interest with the Pharo Hedge Funds.

THE FOREGOING LISTS OF CONFLICTS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE CONFLICTS OF INTEREST INVOLVED IN PHARO MANGEMENT'S INVESTMENT STRATEGY. POTENTIAL INVESTORS IN THE PHARO HEDGE FUNDS SHOULD REFER TO THE CONFLICTS OF INTEREST AND POTENTIAL CONFLICTS OF INTEREST DISCLOSED IN THE INFORMATION MEMORANDUM OF THE APPLICABLE PHARO HEDGE FUND BEFORE DETERMINING WHETHER TO INVEST.

CLIENTS SEEKING AN INVESTMENT ADVISORY AGREEMENT SHOULD REFER TO YOUR PROPOSED INVESTMENT ADVISORY CONTRACT FOR ADDITIONAL CONFLICTS OF INTEREST THAT APPLY TO YOUR ACCOUNT.

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

Pharo Management has adopted a Code of Ethics (the “Code”), which is available to clients upon request. The Code incorporates the following principles among others that all employees are expected to uphold: (a) employees must treat clients in a fair and equitable manner; (b) investment decisions must be made in accordance with Pharo Management’s fiduciary duties; (c) all personal securities transactions by Pharo Management employees must be conducted in a manner consistent with the Code, which includes restrictions and requirements that they disclose their personal securities transactions at least quarterly and holdings annually; and (d) information concerning the identity of securities, the financial circumstances of our clients and personal non-public information regarding individual investors or clients must be kept confidential. Pharo Management stresses the importance of confidentiality in our Code and identifies the scope of confidential information. In addition, the Code outlines procedures to protect against the receipt of inside information, the procedures to follow in the event an employee receives inside information intentionally or unintentionally, and our means of surveillance to detect the receipt of inside information. Our Code also includes our policy and procedures with regard to market rumors. The Code seeks to gather information from employees to identify conflicts of interest in various areas of our business in order to develop controls around such conflicts. In addition, the Code requires that all political contributions be approved in advance by the CCO regardless of the dollar amount of the contribution.

Pharo Management limits the types of securities in which Pharo Management employees and their related persons may invest. In addition, we generally do not permit personal investing in the same securities that we hold on behalf of our clients. We permit employees and their related persons to invest in a limited number of securities to mitigate the conflicts that may arise by allowing personal trading. We allow trading in Mutual Funds, Open and Closed End ETFs (subject to restrictions that present a conflict of interest), Government securities (as defined in the Code), municipal securities, closed end funds that invest in municipal securities (“closed end municipal funds”), private placement partnerships or similarly structured commingled investment vehicles including hedge funds, UCITS, REITS, NURS (non UCITS retail scheme) and Crypto currencies. These instruments are permitted on the basis that they are unlikely to create a conflict with our investments for clients. Should we invest in such securities for our clients after an employee’s personal investment (which was approved on the basis that the security was not held for clients at the time of the employee’s or related person’s personal investment), 3 days will have to elapse from the date of the last trade in the issuer in any client account before an

employee or individual related person will be granted permission to liquidate such security.

The CCO in his sole discretion may grant a waiver to these procedures if he deems it warranted and no client is disadvantaged.

The Code requires approval of all gift giving by employees. In addition, employees must report the direct or indirect offering or acceptance of gifts or other consideration in merchandise or services (other than perishable items of nominal value) from or to any person, firm, corporation, or other entity in the course of their employment or relating to their employment with Pharo Management.

Pharo Management or its employees will engage in principal transactions with its clients. This may occur when a PM, control person, or affiliate has a personal or proprietary investment in a Pharo Hedge Fund (including any deferred compensation balances of Pharo Management but excluding any notional investments for purposes of tracking employee deferred balance earnings), which represents 25% (alone or in aggregate) or more of a Pharo Hedge Fund's net asset value. Client consent is sought prior to the settlement date of principal transactions. If consent is not obtained prior to settlement, the principal transaction will be cancelled. **See Cross Trades; Principal Transactions above.**

Neither Pharo Management nor a related person acts as general partner or in a similar capacity to a partnership or other legal structure in which we solicit clients to invest nor do we act as an investment advisor to an investment company that Pharo Management recommends to clients.

Item 12- Brokerage Practices

Pharo Management has been in business for over twenty years and its PMs and traders as well as the PMs and traders of the Affiliated Investment Advisors have substantial experience in the financial services industry. Pharo Management relies on this experience and knowledge to identify the markets, instruments and services in which different brokers excel. Pharo Management is responsible for the selection of brokers and dealers to effect transactions, and the negotiation of brokerage commissions. Our prime brokers provide us with securities lending, financing, and capital introduction services. Brokers and prime brokers may be selected based on, products offered, commissions, collateral requirements, reputation and operations. When executing a transaction, our traders will take into account the circumstances associated with the execution of particular types of financial instruments.

There is no obligation to solicit competitive bids or seek the lowest available commissions or other transaction costs. Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal

transactions) charged by brokers to Pharo Management's clients may be higher than those charged by other brokers.

Subject to the considerations described above, the selection of a broker (including a prime broker) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: research; consulting with respect to technology, operations, commitment of capital, and access to company management.

Pharo Management's securities transactions will generate brokerage commissions and other compensation, all of which the client, not Pharo Management, will be obligated to pay. Pharo Management will have complete discretion deciding what brokers and dealers its clients will use and negotiating the rates of compensation they will pay. In addition to using brokers as "agents" and paying commissions, we will buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns.

Pharo Management is provided opportunities to participate in capital introduction events sponsored by prime brokers where the Pharo Hedge Funds and or clients maintain accounts. Prospective investors are introduced to Pharo Management at such events. Capital introduction services are provided incidental to the other prime brokerage/brokering services provided to Pharo Management in connection with the overall prime brokerage relationship. Pharo Management executes brokerage transactions through the sponsors of these events. None of the Pharo Hedge Funds or Pharo Management compensates brokers for organizing such events or for any investments ultimately made by prospective investors attending such events (although Pharo Management may do so in the future). However, such events and other services provided by a broker may influence Pharo Management in deciding whether to use the broker in connection with brokerage, financing and other activities for the Pharo Hedge Funds or clients we advise.

Some of these arrangements create a conflict of interest whereby Pharo Management will have an incentive to use a particular broker or prime broker based upon its interest, rather than the interest of our clients. For example, Pharo Management will have an incentive to use a broker based upon capital introduction groups rather than receiving the lowest commission cost or best execution price for its clients. Pharo Management does not direct client transactions to a particular broker-dealer in return for client or investor referrals.

Pharo Management will conduct periodic best execution analysis whereby brokers will be assessed based upon what Pharo Management deems critical criteria to its investment strategy. Part of the analysis will be to evaluate why certain brokers earn their share of our overall transaction cost and identify the execution services in which they excel. In addition, the basis for adding or dropping a broker will be assessed based upon our "Counterparty On-Boarding and Monitoring Policy". Our goal is to identify conflicts and direct transactions which

are suited to a particular broker's execution expertise to satisfy the interest of our clients as opposed to the interest of Pharo Management.

Pharo Management anticipates that the counterparties with which the Pharo Hedge Funds will enter into repurchase agreements and derivative transactions will be financial institutions having a global presence. However, we have the discretion to cause the Pharo Hedge Funds to enter into transactions with counterparties that do not satisfy the foregoing criteria if we determine that such arrangements are beneficial to the Pharo Hedge Funds.

Pharo Management does not have any directed brokerage arrangements. Pharo Management has never entered into formal soft dollar arrangements with any broker and our policy is not to enter into such arrangements. However, Pharo Management may receive research as part of its Prime Brokers' and other brokers' full servicing arrangements. This research would technically constitute receipt of soft dollars and would mandate a yes response to the soft dollar question on Form ADV. Pharo Management does not use soft dollars outside of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934.

Orders for the Pharo Hedge Funds are routinely aggregated and if filled at different prices, may be allocated using an average price. For average price allocations, purchase or sale orders placed during a trading day that are combined and executed are allocated among the participating Pharo Hedge Funds on an average price basis. Such aggregation of orders may not always be to the benefit of each of the Pharo Hedge Funds with regard to the price or quantity executed. Pharo Management is not obligated to aggregate orders and has complete discretion to aggregate or enter separate orders depending on its assessment of the best means to execute a particular order. If orders are separated, the Pharo Hedge Funds may be filled at different prices and incur different execution cost.

Item 13- Review of Accounts

Pharo Management conducts various periodic reviews of its clients' accounts. Pharo Management's Chief Risk Officer and member of the Risk Committee oversees the monitoring of position profit target/stop loss and PM drawdown limits. If such limits are triggered it prompts an additional review to determine if the position remains on, is unwound, or the limits are modified. The risk group is responsible for monitoring and enforcing VaR limits, which are ultimately overseen by the Chief Risk Officer. On a monthly basis, the Risk Committee reviews portfolio positions based on a range of risk metrics. This committee or members thereof will meet informally as required to address periodic issues (e.g., concentration, counterparty or the profit target/loss limits discussed above).

The Directors of the Pharo Hedge Fund receive various hedge fund reports including but not limited to a monthly or quarterly letter disclosing performance, net

asset value and other performance metrics, fund risk reports and fund transparency reports among others. In addition, we are in frequent communications with the Directors of the Pharo Hedge Funds. Investors in a Pharo Hedge Fund generally receive the reports noted above in addition to annual audited financial statements for the Pharo Hedge Fund they are invested in.

Item 14- Client Referrals and Other Compensation

Not applicable. See also **Item 5- Fees and Compensation** above.

Pharo Management may in the future retain placement agents in connection with the offering of shares of the Pharo Hedge Funds and may compensate such agents for their private placement services. Such compensation may be one-time or ongoing, and may be based on the subscription amount, management or performance fees paid by an investor, or aggregate dollar amount invested in the Pharo Hedge Funds by an investor. Pharo Management will act in accordance with the requirements of the Advisers Act to the extent applicable.

Item 15- Custody

Pharo Management is deemed to have custody of client assets by virtue of serving as Investment Manager to the Pharo Hedge Funds we advise. Neither Pharo Management, nor any of the Affiliated Investment Advisors actually has physical possession of any assets of the Pharo Hedge Funds. Nonetheless, Pharo Management may be deemed to have constructive custody of the assets of the Pharo Hedge Funds by virtue of being the Investment Manager to the Pharo Hedge Funds and the authority assigned to Pharo Management by the Pharo Hedge Funds. Cash and securities of the Pharo Hedge Funds are held by qualified custodians and the Pharo Hedge Funds satisfy the requirements of Rule 206(4)-2 of the Advisers Act by having annual audits conducted by an independent public accountant registered with and subject to inspection by, The Public Company Accounting Oversight Board (PCAOB).

The Pharo Hedge Funds have retained PricewaterhouseCoopers (Cayman Islands) as independent auditors. Within 90 days after each fiscal year end the audited financial statements of the Pharo Hedge Funds are delivered to investors. Pharo Management and the administrator to the Pharo Hedge Funds also provide periodic unaudited information, not less frequently than monthly, to investors.

Qualified custodians generally send account statements to the administrator, Citco Fund Services (Curacao) B.V.

Item 16- Investment Discretion

See **Item 4- “Advisory Business”** above. Pharo Management has authority, pursuant to its Investment Management Agreements, to invest and reinvest on a discretionary basis a portion of the assets of the Pharo Hedge Funds.

Item 17- Voting Client Securities

Pharo Management will, if applicable, generally vote proxies and corporate actions for the Pharo Hedge Funds it advises and other advisory clients through prime brokers, broker dealers and or custodians who carry accounts on behalf of such Pharo Hedge Funds. Pharo Management retains ultimate discretion on how to vote proxies and corporate actions. In certain circumstances, Pharo Management may disagree with management’s recommendation and may vote contrary to such recommendation. Pharo Management will document its rationale for making such vote in such circumstances. The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including securities held in the Pharo Hedge Funds we advise, in a manner that serves the best interests of the Pharo Hedge Funds’ or client’s accounts. Investors may request a copy of our proxy policies and procedures and the proxy voting record relating to how we voted specific proxies for securities held by the Pharo Hedge Funds by contacting Pharo Management at the address or telephone number on the cover page.

Item 18- Financial information

Balance Sheet Not Applicable

Pharo Management has no financial condition that impairs its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding.