

MOUNTAINEER PARTNERS MANAGEMENT, LLC

March 2023

This brochure provides information about the qualifications and business practices of Mountaineer Partners Management, LLC (the "Adviser"), an investment adviser registered with the United States Securities and Exchange Commission (the "SEC"). If you have any questions about the contents of the brochure, please contact us at 646-459-7060. 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 Mountaineer Partners Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 – Material Changes

Since the last annual amendment filed in March 2022, the Adviser has made routine updates and clarifying changes to the Firm Brochure.

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Item 4 – Advisory Business

The Adviser is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations in February 2011. Mark Lee is the Managing Member and principal owner of the Adviser.

The Adviser provides discretionary investment advisory services to U.S. and non-U.S. private investment funds intended for sophisticated investors and institutional investors (collectively, the “Funds”). The Adviser also provides discretionary investment advisory services as a sub-adviser to a portion of assets owned by an investment company registered under the Investment Company Act of 1940, as amended (the “RIC”). In addition, the Adviser provides discretionary investment advisory services to two separately managed accounts for institutional investors (the “Managed Accounts”, together with the Funds and the RIC, the “Clients” and each individually, a “Client”). The Adviser provides advice to its Clients based on specific investment objectives and strategies contained in the applicable offering memoranda or investment management agreements; the Adviser does not provide advice to any underlying investors of the Clients (the “Underlying Investors”).

The Funds have entered into, and may in the future enter into additional agreements (“side letters”) with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the applicable offering memorandum. For example, such terms and conditions may provide for special rights to make future investments in a Fund, other investment vehicles or managed accounts; special redemption rights, relating to frequency or notice; a reduction or rebate in fees or redemption charges to be paid by the investor and/or other terms; rights to receive reports from a Fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by a Fund and such investors. The decision to enter into a side letter or similar arrangement is solely at the discretion of the relevant Fund and the Adviser and may, among other things, be based on the size of the investor’s investment in such Fund or affiliated investment entity, an agreement by an investor to maintain such investment in such Fund for a significant period of time, or other similar commitment by an investor to such Fund.

The Adviser does not currently participate in wrap-fee programs.

As of February 28, 2023, the Adviser managed \$302,979,422 in regulatory assets under management, all on a discretionary basis.

Item 5 – Fees and Compensation

Funds

With respect to the Funds advised by the Adviser, the Adviser is paid a management fee calculated at an annual rate of 1.5%. Management fees are paid on a quarterly basis, in advance,

and are calculated based on the net asset value of the Funds. In general, the management fee is deducted quarterly directly from a Fund's assets.

Mountaineer Partners GP, LLC, an affiliate of the Adviser, may be paid annual performance-based compensation, which is compensation that is based on a share of net profits of the Funds. This performance-based compensation is equal to 20% of the net profits of each Fund, subject to a "loss carryforward", as described in the Funds' offering memoranda.

In certain circumstances, the asset-based management fee and/or the performance-based compensation may be waived or reduced for an Underlying Investor. For example, the asset-based management fee and/or the performance-based compensation assessed on investments in the Funds by the Adviser and certain of its principals and employees and related vehicles and certain large or strategic investors is reduced or waived entirely.

RIC

With respect to the RIC, the Adviser is paid a monthly management fee, calculated at an annual rate of 1.0%. The management fee is calculated on the average daily net assets of the RIC. Performance-based compensation is not earned on the RIC.

Managed Accounts

With respect to the Managed Accounts, the Adviser is paid a management fee calculated at an annual rate ranging from 0.50% to 1.0%. Management fees are paid on a quarterly basis, in arrears, and are calculated based on either committed capital or the net asset value of the Managed Account. The Adviser bills the Clients separately each quarter for the management fee.

With respect to the Managed Accounts, the Adviser also will be paid performance-based compensation of 10% of the net profits, if any, exceeding a hurdle, of the Managed Accounts at the end of the performance period as defined in the investment management agreements governing the Managed Accounts.

Generally

The Clients will be required to pay the management fee in advance or in arrears. If the management fee is paid in advance, in the event of a withdrawal or redemption from a Fund, other than at the end of a quarter, any management fees will be pro-rated and the excess returned to the withdrawing or redeeming Fund investor. If the management fee is paid in arrears, in the event of a termination of or withdrawal from either of the Managed Accounts, other than at the end of a quarter, any management fees will be pro-rated and payable to the Adviser by the withdrawing Managed Account investor.

In addition to paying investment management fees and, if applicable, performance-based compensation or other compensation, Client accounts are also subject to other expenses, in accordance with the Client governing documents, including (if applicable): the Client's legal (including legal activist cost), compliance, audit and accounting expenses (including third-party

accounting services); administrator fees and expenses; directors' fees and expenses (if any); organizational expenses; investment expenses such as commissions, research fees and expenses (including research-related travel), interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, bank service fees, Client-related insurance costs (including D&O and E&O insurance for the Adviser and outside directorship liability) and any other expenses related to the purchase, sale or transmittal of Client assets. Certain Client account assets are invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund. In addition, Client accounts will incur brokerage and other transaction costs. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices. Applicable fees and expenses are disclosed in each Client's investment advisory agreement and/or offering memorandum, as applicable.

Each expense will be borne by the Client or the Adviser based on the terms of the agreement between the Client and the Adviser. The Adviser will maintain a list of any client arrangements where the Adviser has agreed to pay for an expense that would otherwise be a client expense. In addition, the Adviser will maintain a list of expenses for products and services that are shared by the Adviser and one or more Clients and will allocate those expenses in a fair and reasonable manner.

The allocation of expenses by the Adviser between the Adviser and any Client and among the Adviser's Clients represents a conflict of interest for the Adviser. The Adviser has adopted an expense allocation policy that is designed to address this conflict. The Adviser allocates expenses to each Client in accordance with the Client's arrangements with the Adviser (including applicable client disclosures). The Adviser seeks to allocate shared expenses for products and services benefitting the Adviser and the Client and not covered in the Client's arrangements in a fair and reasonable manner. The Adviser will allocate common Client expenses among multiple Clients, if any, pro rata based on assets under management. The Adviser may deviate from this standard allocation method if it determines that an expense disproportionately benefits a particular Client or group of Clients.

Client assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, a Client will bear its pro rata share of the investment management fee and other fees of the mutual fund, ETF or other registered investment company, as applicable, which are in addition to the fees and expenses discussed above.

Item 6 – Performance-Based Fees and Side-by-Side Management

The Adviser and its investment personnel may provide investment management services to multiple portfolios for multiple Clients. As more fully described in the section entitled "Fees and Compensation," the Adviser or its affiliates may be entitled to performance-based compensation. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. The Adviser and its investment personnel, including investment personnel whose compensation is indirectly affected by the Adviser's

performance-based compensation as mentioned above, may manage Client accounts that are charged both performance-based compensation and asset-based compensation and accounts that are solely charged asset-based compensation. In addition, certain Client accounts may have higher asset-based compensation or more favorable performance-based compensation arrangements than other accounts or have asset-based compensation or performance-based compensation arrangements providing for payment to the Adviser at different times or over different time intervals. When the Adviser and its investment personnel manage more than one Client account, a potential exists for one Client account to be favored over another Client account. The Adviser and its investment personnel have a greater incentive to favor Client accounts that pay the Adviser (and indirectly its employees and principals) performance-based compensation or higher fees or compensation that is paid at different times or over different time intervals. The Adviser seeks to manage this conflict through policies and procedures described below.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts with substantially similar investment objectives is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's allocation procedures specify the factors that are taken into account in making allocation decisions. The Adviser has also adopted the aggregation procedures as discussed in Item 12 of this Firm Brochure. These areas are monitored by the Adviser's Chief Compliance Officer.

Item 7 – Types of Clients

The Adviser currently furnishes investment services to the Funds, which are private investment funds intended for sophisticated investors and institutional investors. The Adviser also provides discretionary investment advisory services as a sub-adviser to a portion of assets owned by an investment company registered under the Investment Company Act of 1940, as amended. In addition, the Adviser provides discretionary investment advisory services to one or more separately managed accounts for institutional investors. The Adviser, however, is not precluded from advising types of clients that are not listed above.

Please see Item 4 of this Firm Brochure for further information regarding the Adviser's current Clients. The initial and additional subscription minimums for the Funds' Underlying Investors are disclosed in the offering memorandum for each Fund.

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

Methods of Analysis and Investment Strategies

The Adviser applies research driven, rigorous fundamental analysis that focuses on the fundamental value of a financial instrument. For long investments, the Adviser will identify where valuations are conservative, fundamentals are improving, or there is a catalyst to creating value. Analysis will focus on cash generation, asset value, and other measures of value. For short investments, the Adviser will focus on situations where company and industry fundamentals are deteriorating, valuations exceed the Adviser's view of intrinsic value, or catalysts exist to reduce value. Additionally, the Adviser will evaluate the overall investment climate. The level of net exposure at any given time is a function of both the Adviser's ability to identify attractive investments and the Adviser's assessment of the investing climate. In addition to the fundamental shorts described above, the Adviser will opportunistically utilize general portfolio hedges.

The Adviser's investment strategies involve material risk factors and may be deemed to be highly speculative investments. They are designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment and who have a limited need for liquidity in their investment. The following are risk factors associated with the investment strategies (Fund Underlying Investors and potential investors in the Funds should refer to the offering memorandum for the Fund for a further discussion of the applicable risks):

Material Risks

Nature of Investments. The Adviser has broad discretion in making investments. Investments generally consist of equity securities, equity-related instruments, debt securities, derivatives and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results and the value of investments. In addition, the value of a Client's account may fluctuate as the general level of interest rates fluctuates.

Leverage. Employing leverage in a Client's account is a more aggressive, higher risk approach to pursuing investment objectives. The risks associated with investing, as well as costs, may be increased when employing margin strategies, and depending upon the return achieved, may make the investment objectives more difficult to realize. A Client may lose more than its original investment. Likewise, a positive or negative performance, net of interest charges and fees, is magnified. Gains or losses are greater than would be the case in accounts that do not employ margin strategies. The Client may not benefit from employing margin strategies if the performance of its account does not exceed interest expenses on the loan plus fees incurred as a result of depositing the proceeds of the loan.

Equity-Related Instruments in General. The Adviser may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Fixed-Income and Debt Instruments. Investments in fixed-income and debt securities such as bonds, notes, asset-backed securities and bank debt, subject a Client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

Short Sales. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Options. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Small to Medium Capitalization Companies. A portion of a portfolio's assets may be invested in the stocks of companies with small- to medium-sized market capitalizations. While the Adviser believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Non-U.S. Securities. Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated

with investing in securities of the United States government or United States companies. These considerations include exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Furthermore, investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies.

Convergence Risk. The Adviser may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying the trading positions were to fail to converge toward, or were to diverge further from, the Adviser's expectations, a loss may be incurred.

Special Situations. Special situation investments include companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the investment may be sold at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss of the entire investment in such companies.

Distressed Investments. Distressed investments involve a substantial degree of risk. Distressed company investments may not show any returns for a considerable period of time. Distressed company investments may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the Bankruptcy Court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Lack of Diversification. The Client portfolios managed by the Adviser may not be as diversified as other investment portfolios. Accordingly, the Adviser's Client portfolios may be subject to more rapid change in value than would be the case if the Adviser were required to maintain a wide diversification.

Derivatives. Swaps, derivatives, synthetic instruments, repurchase agreements and other over-the-counter transactions or, in certain circumstances, non-U.S. securities, may involve substantial credit risk. Additionally, the risks involved with certain derivatives may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries.

Interest Rate Risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

Lack of Liquidity of Investments. Assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

Inflation Risk. Client accounts may be subject to inflation risk. Inflation risk is the risk that the value of investments or income from investments will be lower in the future as inflation decreases the value of money. As inflation increases, the value of the investments in a client's account can decline.

Additional Risks Relating to the Adviser

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

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

misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Effects of Health Crises and Other Catastrophic Events. Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on clients' investments and the Adviser's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for client portfolio companies. In addition, under such circumstances the operations of the Adviser and other service providers, including functions such as trading and valuation could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

Item 9 – Disciplinary Information

This Item is not applicable.

Item 10 – Other Financial Industry Activities and Affiliations

This Item is not applicable.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its related persons to put the interests of the Adviser’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. Clients or prospective Clients may obtain a copy of the Code by contacting Dan Borenstein (Chief Compliance Officer) by email at dborenstein@mountaineerpartners.com or by telephone at 646-459-7065.

The Adviser and its related persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment, which includes disclosure of gifts and business entertainment in excess of a certain de minimis threshold.

The Adviser will seek to avoid coming into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have

invested or seek to invest on behalf of Clients. For example, the Adviser's supervised persons generally will not serve on the board or creditor committee of publicly traded issuers. If in the course of its investment management and other activities, the Adviser comes into contact with such information, the Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Code includes policies and procedures designed to minimize any actual or potential conflicts that may arise due to trading in personal accounts of the Adviser or its related persons. Under the Code, any securities in the Adviser's Client portfolios will be added to the Adviser's Holdings List ("Holdings List"). Additionally, the Adviser maintains a Restricted List ("Restricted List"), containing issuers of securities that the Adviser has come into contact with material non-public information. Except as provided below, the Adviser and its related persons may not buy or sell single name securities, including Holdings List or Restricted List securities, in their personal accounts. Related persons of the Adviser who have an existing position in a security prior to becoming a related person may sell (but not buy) such security only if (i) the security is not on the Holdings List or Restricted List and (ii) the Chief Compliance Officer has pre-cleared the transaction.

The Adviser's related persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser's related persons are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Adviser's related persons are also required to provide personal account brokerage statements at least quarterly. Trading in the personal accounts of the Adviser's related persons is reviewed by the Chief Compliance Officer and compared with transactions for Client accounts and reviewed against the Restricted List and Holdings List.

The Adviser's related persons invest in private funds managed by the Adviser and, in certain cases, hold a substantial portion of a private fund's assets. Such investments pose a risk that the Adviser or its related persons who are in a position to control the allocation of investment opportunities will favor those private funds in which the Adviser's related persons invest, particularly in the case of limited opportunities (such as initial public offerings and private placements) or other investments that are otherwise subject to limited capacity. The Adviser's

procedures require the objective allocation for limited opportunities to ensure fair allocation among accounts.

Item 12 – Brokerage Practices

The Adviser seeks to obtain best execution in making decisions regarding brokerage allocations, taking into account factors such as: the ability of the broker-dealer to effect prompt and reliable executions at favorable prices (including any applicable broker commission); the operational efficiency with which transactions are effected, taking into account the size of the order and the difficulty of execution; the access of the broker-dealer to liquidity and investment opportunities; the financial strength, integrity, and stability of the broker-dealer; the quality, comprehensiveness, and frequency of available research services that are considered of value; and the competitiveness of commission rates in comparison with other broker-dealers that satisfy our other selection criteria. In selecting brokers or dealers to execute transactions, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus it may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

Soft Dollars

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an Adviser to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an Adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the Securities and Exchange Commission or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

The Adviser and/or its related persons have, as a result of Client brokerage commissions, acquired data services (including services providing real time exchange data, market data,

company financial data and economic data), certain financial newsletters and trade journals, discussions with research analysts, meetings with corporate executives, and services related to execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between the Adviser and a broker-dealer and other relevant parties such as custodians).

When appropriate, the Adviser may, but is not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

Item 13 – Review of Accounts

Each Client account is reviewed by the Portfolio Manager and Chief Compliance Officer on an ongoing basis to determine whether certain investment positions should be maintained in view of current market conditions. Matters reviewed include specific investments held, adherence to investment guidelines and the performance of each Client account. Furthermore, investment personnel review domestic and international events on an ongoing basis to evaluate how the events may impact the Client portfolios.

Each Fund, RIC and/ or Underlying Investor, as applicable, is furnished with a monthly account statement by their third-party administrator. Managed Account investors will receive reports of the assets in the respective Managed Accounts in accordance with the terms of the account's arrangement with the Custodian. Additionally, each Fund Underlying Investor receives a Form K-1 tax statement, as required, and an annual audited financial statement prepared in accordance with accounting principles generally accepted in the United States.

Item 14 – Client Referrals and Other Compensation

The Adviser receives certain research or other products or services from broker-dealers through "soft-dollar" arrangements. These "soft-dollar" arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its Clients. Please see Item 12 for further information on the Adviser's "soft-dollar" practices, including the Adviser's procedures for addressing conflicts of interest that arise from such practices.

The Adviser compensates third-party solicitors or other promoters for referrals of clients or private fund investors. The Adviser's arrangements with third-party solicitors or other promoters may vary. Any compensation paid pursuant to these arrangements creates an incentive for the third-party solicitor or other promoter to recommend the Adviser, resulting in a material conflict of interest.

Item 15 – Custody

The Adviser and its affiliate are deemed to have custody of Fund assets and intend to comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, by meeting the conditions of the pooled vehicle annual audit provision.

Item 16 – Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to Clients. Please see Item 4 for a description of any limitations Clients may place on the Adviser's discretionary authority.

Prior to assuming discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion. Services are provided to each Client in accordance with the applicable investment advisory or management agreements with such Client and, with respect to the Funds, in accordance with the governing documents of the applicable Fund. Investment advice is provided directly to the Clients, and not individually to any Underlying Investors of the Clients. Client investment restrictions, if any, are generally established in the governing documents or advisory or management agreement of the applicable Client.

Due to differences in Client investment objectives, strategies, guidelines, restrictions, risk profiles, tax status and other criteria, there may be differences among Clients in invested positions and securities held. The Adviser may, from time to time, consider one or more of the following factors, among others, in allocating securities among Clients: (i) a Client's investment objectives, strategies, guidelines, restrictions and risk profiles; (ii) tax status and restrictions placed on a Client's portfolio by the Client or by applicable law; (iii) size of the Client account; (iv) nature and liquidity of the security to be allocated; (v) size of available position and whether the order was partially filled; (vi) current market conditions; (vii) account liquidity, account requirements for liquidity and timing of cash flows; and (viii) amount of trade away fees or other transaction fees.

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

While the Adviser does not anticipate doing so, to the extent the Adviser participates in limited offerings, securities acquired by the Adviser for its clients through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities

after considering the factors described above with respect to general allocations of securities and determining those client accounts eligible to hold such securities. Eligibility will be based on the legal status of the clients and the clients' investment objectives and strategies.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, the Chief Financial Officer will investigate and resolve the error as soon as practicable, taking into account the facts surrounding the transaction, including the liquidity of the security involved. If an error results in a loss to a Client, the Client will be reimbursed. If the error results in a gain, the Client will retain the gain. The Adviser is not responsible for the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by the Adviser.

Item 17 – Voting Client Securities

In accordance with section 206(4)-6 of the Advisers Act, the Adviser has implemented written policies and procedures governing proxy voting. To the extent the Adviser has been delegated proxy voting authority on behalf of its Clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interests of each Client.

While the Adviser generally does not intend to do so, the Adviser may abstain from proxy votes when voting would be costly to the Client or impractical or when the Adviser otherwise deems voting unwarranted in its commercially reasonable discretion. The Adviser may determine not to vote proxies relating to securities in which Clients have no position as of the receipt of the proxy (for example, when the Adviser has sold, or has otherwise closed, a Client position after the proxy record date but before the proxy receipt date).

With respect to the Funds, the Adviser is responsible for voting proxies and does not accept direction from Underlying Investors.

The Chief Compliance Officer is notified of, and maintains a log of, any conflict of interest that arises in proxy voting. Possible conflicts of interest include situations in which a third party attempts to influence the Adviser's vote on a material issue. In consultation with the Chief Compliance Officer, the Portfolio Manager approves the voting of all proxies that raise conflicts of interest.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted on a Client's proxies by contacting Dan Borenstein, Chief Compliance Officer, at dborenstein@mountaineerpartners.com or 646-459-7065.

Item 18 – Financial Information

This Item is not applicable.