The information given herein is correct as at: 7/1/2014 and has been completed by Ryan O'Grady, CEO

ROW Asset Management, LLC
Due Diligence Questionnaire

MANAGED FUTURES FUND MANAGERS/ COMMODITY TRADING ADVISORS (CTAs)

This due diligence questionnaire is a tool to assist investors when considering whether or not to invest with a managed futures fund manager or in a managed futures fund. While managed futures fund investment programs come in a variety of strategies, each with its own peculiarities, it is important to fully understand the following before you invest:

- **the trading strategy, including how programmes are developed, the primary sources of return, the products and markets traded and how these products are used within the trading strategy;**
- **the investment manager's background, organisation and resources;**
- **the fund's terms, structure, governance, performance and tax treatment;**
- **the effectiveness of the organisation's controls and the processes for managing and controlling market, liquidity and operational risk;**
- **the third party service providers responsible for supporting the funds and the investment manager;**
- **developing trends in the regulatory environment and their potential implications;**

Not all of the following questions are applicable to all managers but we recommend that you ask sufficient questions and request associated supporting material so that you are able to make an informed decision.

DISCLAIMER

In addition, you should review with your legal counsel and other advisers the value of the responses and to what extent, if any, you may rely upon such responses. The contractual terms of an investment in any managed futures fund will normally be confined to the terms of the application or subscription documents, prospectus, private placement memorandum or other offering document and the constitutional documents of the managed futures fund. In order to obtain the best possible information on any specific managed futures fund manager, additional questions should be raised to clarify any point of uncertainty and, where practicable, verbal examination should be undertaken. In particular, it is recommended that, in respect of special areas of concern, such as fund performance or risk profile, independent third party data should, if possible, be obtained in order to verify these facts.

None of ROW Asset Management, LLC, its officers, employees or agents makes any representation or warranty, express or implied, as to the adequacy, completeness or correctness of the questionnaire. No liability whatsoever is accepted by ROW Asset Management, LLC, its officers, employees or agents for any loss howsoever arising from any use of this questionnaire or its contents or otherwise arising in connection therewith. For the avoidance of doubt, note that, by providing this questionnaire, ROW Asset Management, LLC does not act as legal counsel in any jurisdiction.

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1 INVESTMENT MANAGER INFORMATION

1.1 CONTACT INFORMATION

1.1.1	Organisation Name:	ROW Asset Management, LLC
1.1.2	Address:	450 Newport Center Drive, Newport Beach, CA 92660 USA
1.1.3	Telephone:	1-949-478-8300
1.1.4	Fax:	1-949-478-7491
1.1.5	Website:	www.rowam.com
1.1.6	Primary Contact: • name: • title: • telephone: • e-mail:	Timothy O'Grady Managing Director, Marketing/Client Service 1-949-478-8318 togrady@rowam.com

1.2 INVESTMENT MANAGER

1.2.1	Provide a brief history of the organisation including background as to its foundation and attach a diagram showing all group entities including: • full name: • legal form (Ltd, LLP, LLC etc.): • date of incorporation: • registered number: • country of domicile: • purpose/function:	ROW Asset Management, LLC was founded on July 2nd, 2010 by Ryan O'Grady and Jeffrey Weiser. The company was registered in Delaware, USA. EIN 27-2988943. ROW Asset Management, LLC is a quantitative, systematic global macro investment firm.
1.2.2	Primary office location and location of any branches or other offices. Describe the functions performed in each office location and indicate whether the office space is leased (including length of lease), owned or serviced.	ROW Asset Management is headquartered in Newport Beach, CA, with a branch office in New York City.

1.2.3	Which regulatory authority (ies) is the investment manager regulated by/registered with? For each regulatory authority, specify: • name of regulator; • date of registration; • registration number; • scope of registered activities; • list individuals registered with that authority and the regulated function(s) they perform Has the investment manager been previously registered with any other regulatory authority? Why did they de-register? Please provide web url of regulators register where available.	The manager is SEC and CFTC registered. SEC: Date of Registraion: 7/15/13 Registration Number: 801-78326 Scope of Registered Activities: Investment Advisor CFTC: Date of Registration: 6/19/12Registration Number: 0441466 Scope of Registered Activities: Commodity Pool Operator, Commodity Trading Advisor Registered Individuals: Ryan O'Grady – principal and associated person Jeffrey Weiser – principal and associated person Tim O'Grady – associated person Seng Ung – associated person The investment manager has not previously been registered with any other regulatory authority.
1.2.4	Is or has the company ever been registered as any of the following with the National Futures Association (NFA)/Commodities and Futures Trading Commission (CFTC)? • Commodity Pool Operator (CPO? • Commodity Trading Advisor (CTA)? • Futures Commission Merchant (FCM)? • Introducing Broker (IB)? • Registered Investment Advisor (RIA)? • Other (please specify)? Please provide web url of regulators register where available of the same.	The company has registered as a Commodity Pool Operator, and as a Commodity Trading Advisor. Web URL: http://www.nfa.futures.org/basicnet/Details.aspx?entityid=ZtVANovnin0%3d&rn=Y
1.2.5	For each regulatory authority list any elective regulatory exemptions upon which you rely.	CFTC 4.7 exemption for ROW Diversified Fund, L.P.
1.2.6	For each regulatory authority specify the date of any regulatory inspection or other regulatory review. Summarise any regulatory findings and required remedial action.	N/A

1.2.7	Do you have a current CFTC Reg. 4.21 Disclosure Document or a Reg. 4.7 Disclosure Document? If yes, please provide a copy.	Yes – the PPM serves in this capacity. Additional information available upon request.
1.2.8	How soon is the next update due to the Company's Disclosure Document? Are any material disclosure changes anticipated?	Disclosure documents are reviewed on a semi-annual basis. No material changes are anticipated.
1.2.9	Specify the nature of services provided by the organisation (discretionary investment management or advisory) and list the entities. Re-instate which services are provided.	The investment objective of ROW Diversified Fund, LP is to seek consistent long-term appreciation through active leveraged investing in global spot, forward, futures, and options markets.
1.2.10	Attach the last 3 years' audited financial statements for the investment manager.	The investment manager's financial statements have not been audited; however, the investment manager will discuss information about its financial statements upon request.
1.2.11	What is the company's approximate net worth? Is it subject to any minimum net worth requirements or covenants?	The company's net worth is approximately $1,300,000. There are no minimum net worth requirements.
1.3	**OWNERSHIP**	
1.3.1	Attach a table or diagram showing the ownership of all group entities, including: • owner/partner's name. Indicate if they are a seed investor; • share class owned/category of Partner; • percentage ownership or capital interest; • summary of any special rights attaching to share class, owner or partner.	ROW Asset Management, LLC Ryan O'Grady 75% Jeffrey Weiser 25% No external investors/seed partners/etc.
1.3.2	Describe any formal or informal affiliations with other investment companies.	None.

1.4	ORGANISATIONAL STRUCTURE AND THIRD PARTY ADVISERS	
1.4.1	Attach an organisational chart showing the names, titles, functional areas, and locations for all principals, investment managers, traders, partners, investment support staff including quantitative analysts, software developers and all others with management responsibility not included above. Please also show the total number of staff in each functional area (actual and full-time equivalents).	Attached.
1.4.2	Attach a document containing short biographies for all principals, investment managers, traders, directors, partners, investment support staff including quantitative analysts and software developers, and all others with management responsibility or staff critical to the on-going operations of the organisation not included above. Please include: • name; • title; • education; • career history, including joining date; • other relevant experience; • other Directorships, partnerships, affiliations or commercial interests; • proportion of time spent on outside business interests.	Attached.
1.4.3	Describe the due diligence process carried out on new staff (and existing staff, where such procedures were not in place at the time of recruitment). Highlight how this process varies depending on the individual's role.	The firm requires personal references and performs background checks on all new employees.

1.4.4	What has been the turnover among the organisation's personnel during the last (a)12 and (b)24 months? List names, titles, functions and joining/leaving date of all joiners and leavers during the last two years.	Laurie Pisano (Compliance and Operations) joined August 2013. Saurabh Kumar (Research/IT) joined September 2013.
1.4.5	How are key-staff risks addressed and managed?	The firm has been designed with redundancy in mind. As such, all of the day-to-day aspect of the firm's operations can be handled by one or more backup person(s).
1.4.6	Outline the organisation's performance review and compensation policy. Include a description of how the policy varies for different groups of partners or employees, any deferral process and any clawback mechanism.	Performance reviews are done at the end of the calendar year. Compensation consists of base salary, formulaic bonus, and discretionary bonus. Formulaic bonus for research personnel is dependent upon total firm revenue, not individual profit – therefore research personnel's interests are aligned with the firm. Sales/marketing are compensated in the same way.
1.4.7	Provide details of the organisation's auditor, legal and tax advisers including date appointed and type of services engaged.	This is included in the org chart for 1.4.1.
1.4.8	Have any of these service providers been changed within the past 3 years (please provide dates) and, if so, why?	Cole-Frieman Mallon & Hunt are now our primary lawyers. Bart Mallon has more familiarity with the Global Macro / CTA space and is based on the West Coast. Cole-Frieman Mallon & Hunt has been the only legal counsel used in setting up ROW Diversified Fund, LP. Baker Botts, LP, were used in the set up of ROW Asset Management, LLC and ROW Currency Fund, LLC. They are still retained as additional counsel.
1.4.9	Has the current or any previous auditor ever issued qualified financial statements for any group entity?	No.
1.4.10	List any other third party representatives, agents, advisers or consultants used by the investment manager including name of firm, date appointed and functions/services performed.	Hedge Harbor, 3rd Party Marketing Firm, appointed June 1st, 2014.
1.4.11	Describe any material conflicts of interest and outline how conflicts of interest are managed and resolved.	None.
1.4.12	Is the firm a member of AIMA or any other trade or industry association?	Yes, the firm is a member of AIMA.

1.5	**MANAGER REFERENCES**	
1.5.1	Provide at least two independent references for the organisation and for each of the founders or principals, including the referees': • name; • title; • organisation; • telephone; • e-mail; • relationship with the organisation and its key staff.	Marco Pelizzoli Global Head of FX Trading Santander GBM +44-207-756-7149 marco.pelizzoli@santandergbm.com Former colleague at FX Concepts Jeffrey Pio Barclays Capital, Inc Managing Director jeffrey.pio@barcap.com 212-412-2069 Mr. Pio has known Ryan and Jeff since the early 90s when he covered FX Concepts as a salesperson. Doug Millowitz Managing Director UBS Securities 203-719-1141 douglas.millowitz@ubs.com Mr. Millowitz has known Ryan and Jeff since the mid 90s when he covered FX Concepts as a salesperson. Debra Solomon Managing Director BNP Paribas 212-841-2415 debsol1@bloomberg.com Ms. Solomon has known Ryan and Jeff since the early 90s when she covered FX Concepts as a salesperson.

2 ASSETS AND PERFORMANCE

This section is focussed on assets and performance for each investment programme run by the Investment Manager across all relevant accounts. Sections 14, 15 and 16 focus on assets and performance for each Fund specifically where relevant.

2.1	**ASSETS UNDER MANAGEMENT**	
2.1.1	List assets under management (and percentage of total assets) for each of the following, broken down by investment programme: • Public funds: • Private pools: • Individual accounts: • Institutional accounts: • Proprietary accounts: Total assets under management: (I) Notional Assets (II) Actual Assets	AUM = $145mil $30mil in ROW Currency Fund, LLC, and pari passu managed accounts. $78mil in ROW Diversified Fund, L.P, and pari passu managed accounts. $37mil in bespoke version of ROW Diversified Program (managed account).

2.1.2	If NFA-format performance capsules (note: while 13-column table format is preferred, the 7 column table format is acceptable) are not attached, attach a schedule showing month-end assets under management for each programme since inception. Note: indicate any notional funding (if known) and any non-standard leverage applied, if any.	Available upon request.
2.1.3	What was the peak of assets under management for each programme, and for the investment manager as a whole? • US$: • Date:	The current AUM is also the peak AUM for the firm and all programs.
2.1.4	At what level of assets under management does the investment manager break-even on management fees-alone?	Our fixed costs are ~$1.2 million.
2.1.5	Have you ever voluntarily returned assets to investors? If so, when, how much and why?	No.
2.1.6	How many separately managed accounts are currently open, grouped by size? • $0 to $1,000,000 • $1,000,001 to $5,000,000: • $5,000,000 - $20,000,000$20,000,001 +: Total:	$1-$5mil = 4 managed accounts >$20mil = 3 managed accounts
2.1.7	Which levels (from above), are you actively seeking clients for?	$5 million and up.
2.1.8	What is the current equity value, starting date, compound annual return and annualised standard deviation of the oldest continuously traded account for each programme currently offered?	Both ROW programs were seeded with partner capital - $10 million for ROW Currency, $3 million for ROW Diversified.

2.1.9	What are the assets under management for each programme as of December 31 for each of the last five years?	12/31/2010: ROW Currency $21 million 12/31/2011: ROW Currency $10 million, ROW Diversified $3 million (managed account) 12/31/2012: ROW Currency $10million, ROW Diversified $8 million 12/31/2013: ROW Currency $30million, ROW Diversified (and variants) $86million
2.1.10	What is the projected change in assets under management over the next twelve months? Explain the rationale for this change?	We expect AUM to grow in the next twelve months, based on our history of starting investment products and their typical life cycle.
2.1.11	Have you made any future capacity commitments in terms of the right to place additional assets under the company's management?	Yes - we have a $100mil capacity commitment for an investor in ROW Diversified. The capacity of the program is >$1bil.
2.1.12	Percentage of total AUM represented by largest single investor or group of investors acting together.	52% (Managed Account)
2.1.13	Percentage of total AUM represented by largest 10 investors.	100%
2.2	**PERFORMANCE**	
2.2.1	Attach NFA format performance capsules for all accounts traded pursuant to each of the company's programmes.	Available upon request.
2.2.2	Is any of the performance record actual or hypothetical?	All reported performance is live trading.
2.2.3	What is the policy on performance reporting for funded/unfunded accounts?	We report performance according to the notional investment.
2.2.4	Is the performance record in any respect derived or excerpted?	The ROW Diversified Program as presented include the returns from (i) the ROW Diversified Fund from July 2012 to present as well as (ii) a separate account running the same program. The separate account had a substantially similar investment strategy to that of the ROW Diversified Fund. The net performance shown from November 2011-June 2012 assumes a hypothetical management fee of 2% and an performance allocation fee of 20%. Such performance was calculated from an independently calculated performance report (unaudited) provided by NAV Consulting. Performance from July 2012 to present represents the actual net performance of the ROW Diversified Fund, LP assuming a hypothetical management fee of 2% and an investment allocation fee of 20%.
2.2.5	Is proprietary capital included in the performance record? If yes, please specify whether such capital is non-fee paying and in what amount?	See 2.2.4.

2.2.6	Are there any material differences among the accounts included in the composite tables? If yes, please explain.	No.
2.2.7	Are "exempt accounts" included or excluded from the performance record? If included, please explain.	N/A
2.2.8	Does the performance record reflect the full brokerage charged to the client or have certain fund sponsors identified a portion of such brokerage as excludable from the company's performance calculations?	Performance record reflects full brokerage charged to the client.
2.2.9	List all the markets traded in the last 5 years indicating whether they are currently traded.	Corn, Cocoa, Cotton, Coffee, Cattle, Lean Hogs, Soybean, Sugar, Soybean Meal, Soybean Oil, Wheat; Long Gilt, Euro Bund, 10Y US, 10Y A$; Crude Oil, Heating Oil, Natural Gas, GasOil, Gasoline; SP500, Nasdaq, Nikkei 225, STOXX 50, ASX200, FTSE 100; 3M Euro$, 3M Euribor, 3M Euroswiss, 5Y UST, A$ Bill, 90D Sterling, Euro Bobl, 2Y UST, 3M Euroyen, 3 Year A$, NZ 3M Bill; EUR, CHF, GBP, JPY, CAD, AUD, NZD, CZK, NOK, SEK, USD; HUF, PLN, RON, RUB, TRY, ILS, ZAR; ARS, BRL, CLP, COP, MXN, PEN; INR, IDR, PHP, SGD, KRW, TWD, THB All markets are currently traded.
2.2.10	List all markets now traded which are not included in the past five years' performance:	N/A
2.2.11	List all markets not currently traded which are included in the past five years' performance:	N/A
2.2.12	Does the performance record include interest income? If yes, explain basis of inclusion:	Yes, although this has been negligible since the fund's inception. It is part of the total return to the fund investor.
2.2.13	Have any agreements or understandings been reached with the CFTC/NFA regarding any aspects of the performance record?	No.
2.2.14	Are there any *pro forma* adjustments included in the performance record? If so, how are these calculated?	NAV Consulting/FundAdministration subtracted hypothetical 2 and 20 fees when preparing the performance record.

2.2.15	What is the average number of round-turns traded per $1million per year in each programme?	ROW Diversified =1000
2.2.16	Approximately how many trades are made in each market, each year, in each programme?	50-75 in each market per year. These are typically small adjustment trades to the overall position.
2.2.17	Does trading frequency tend to increase/decrease during profitable/unprofitable periods?	Trading frequency tends to increase during unprofitable periods.
2.2.18	What is the average annual commission as a percentage of assets included in the performance record for each programme? Has this varied significantly over the last few years? If so, please outline.	~ 60bp for ROW Diversified. This has not varied much. As AUM grows, commission rates should drop, as we can negotiate more favourable R/T rates.
2.2.19	What is the average management and performance fee structure included in the performance record?	2/20 for ROW Diversified.
2.2.20	Do fees and/or commissions vary significantly from year to year? If so, by how much?	No.
2.2.21	What is the average percentage of winning and losing trades in each programme since inception? Are these percentages materially different to the past 12 months? If yes, please explain:	Strategy and Portfolio—level risk management make it difficult to attribute P+L to individual "trades," but we would expect there to be a roughly equal number of winning and losing trades, with winning trades lasting longer and generating more profit than the losses received on losing trades.
2.2.22	What is the average gain per winning trade and average loss per losing trade? • $ per contract: • As a % of equity:	See above.
2.2.23	What is the average holding period for: • All trades? • Winning trades? • Losing trades?	The average holding period is more dependent upon strategy than winning/losing. Trend trades tend to be held for 2 weeks to 2 months, with winning trades lasting longer and losing trades shorter. Yield and relative value trades can be held longer, even if losing, as they are part of a carefully constructed portfolio. Mean reversion trades tend to be 2 weeks or less.
2.2.24	What is the average number of positions (broken down by instrument type) held for each programme?	ROW Diversified – 50

2.2.25	What is the maximum amount of equity that you estimate can be traded in each programme?	ROW Diversified - $1.5 billion
2.2.26	What is the annualised standard deviation, Sharpe ratio, Sortino ratio, Calmar ratio, compound annual rate of return, assets under management, and year started for each programme? State the assumptions for each ratio.	As ROW Diversified only started in November 2011, we believe daily gross returns give a better indication of program behaviour. Please contact ROW directly for the most current data.
2.2.27	What are the programmes objectives? Have these objectives been met? Have they changed in the past 5 years?	The objective is to generate positive absolute return that has low correlation to other asset classes. ROW Diversified has met this objective.
2.2.28	Have you ever permitted a client to intervene during the course of a relationship to adjust leverage or portfolio structure? If yes, please explain:	No.
2.2.29	Has there been any material leverage or other adjustments in the past five years? If yes, please provide the applicable date(s) and explain the nature of such adjustments, the reason for such adjustments, and the effect of such adjustments with respect to the performance record?	No.
2.3	**DRAWDOWNS**	
2.3.1	List the three largest drawdowns as a percentage of equity for each programme. Please also explain why each drawdown occurred, and show the recovery periods:	ROW Diversified lost -0.60%, in March 2012. The drawdown lasted 2 months. ROW Diversified lost -0.77% in June 2012. The drawdown lasted 1 month. ROW Diversified lost 7.37% from September 2012 through February 2013. The program reached a new highwater mark in March 2014.
2.3.2	List the three longest drawdowns for each programme? Please explain why each drawdown occurred, and show the recovery periods:	See above.
2.3.3	What were the largest withdrawals in each programme since inception? • Date: • % of equity: • Reasons:	April 30th, 2014, 1.5% of equity. Investor was winding down their fund of managed accounts.

3 INVESTMENT STRATEGY

This section should be repeated for each trading programme operated by the Manager.

3.1 GENERAL PRINCIPLES

3.1.1	Describe the programme's broad trading philosophy, strategy and core principles:	The investment objective of ROW Diversified Fund, LP is to seek consistent long-term appreciation through active leveraged investing in global forward, futures, and options markets. The Partnership will utilize a quantitative approach to forecasting, portfolio construction, and risk management. See attached – 3.1.1.
3.1.2	How would you characterise the basic trading approach (in %)? • Discretionary (please provide a brief description)? • Systematic (please provide a brief description)? • Other? Please explain:	Attached – 3.1.1.
3.1.3	How would you characterise the main decision-making inputs (in %): • Fundamental (please provide a brief description)? • Technical (please provide a brief description)? • Other? Please explain:	Attached – 3.1.1.
3.1.4	What are the strengths and weaknesses of the trading methodology?	Attached – 3.1.1.
3.1.5	What are the programme's rate of return, volatility, S&P non-correlation and Sharpe ratio objectives etc.? What have been the outcomes?	Attached – 3.1.1.

3.2 ATTRIBUTES

3.2.1	How would you characterise the programme's trading methodology (in %)? • Trend Following: • Regression analysis: • Pattern recognition: • Cyclical: • Countertrend: • Special situation: • Arbitrage: • Relative Value • Market neutral: • Other (please explain):	Trend Following: 45% Pattern recognition: 10% Countertrend: 10% Relative Value: 10% Other – Carry/Roll Yield: 25%

3.2.2	Of the inputs below, which are used in your trading methodology? • Moving average of prices • Breakout systems • Chart patterns (head & shoulders, triangles, flags, etc.) • Momentum Oscillators • Point and figure • Support and resistance • Volume or open interest • Spread relationships • Statistical probabilities • Penetration identification • Overbought/oversold indicators • Cyclical analysis • Seasonal analysis • Fundamental or economic analysis • Bottom up analysis • Top down analysis	Moving average of prices Breakout systems Momentum oscillators Spread relationships Statistical probabilities Overbought/oversold indicators
3.2.3	Are multiple trading systems used? If yes, please explain:	Attached – 3.1.1.
3.2.4	How, if at all, is "game theory" incorporated into your trading strategies?	Yes - we use game theory to set our steady-state exposures to the core strategies in 3.2.1. The goal is to mix the strategies to minimize our maximum regret. In a game-theory-optimal sense, we are positioning our strategies so that we are not dependant on a particular market environment to perform well.
3.2.5	If the trading methodology involves a neural network, what are its main inputs?	N/A
3.2.6	Does the trading system have a long or short bias?	No.
3.2.7	Are calendar spreads or inter-market spreads used?	Yes.
3.2.8	Is the "cost of carry" a factor in the current methodology?	Yes.
3.2.9	How would you approach sudden and unexpected illiquidity in any of the markets traded?	Our system runs at daily frequency, so we are not overly sensitive to temporary loss of liquidity in a given market. In addition, we maintain many positions in different markets so that a large % of AUM is not concentrated in one market.

3.2.10	In which kind of market conditions does the trading methodology historically perform best and worst? • Bull markets: • Bear markets: • Congested markets: • Bull and bear markets, but not congested markets: • The same in all market conditions: • High volatility markets: • Low volatility markets: • Other (please explain):	ROW Diversified mixes strategies that we believe are expected to perform well in different environments - see answer to 3.2.4.
3.2.11	If systematic, is the trading system ever manually overridden, switched off or deleveraged? If yes, under what circumstances? Please detail all occasions when this has occurred including dates and a full explanation of the reasons. What are the pre-conditions required to override the system? Describe the procedures in place (prior to and post) for overriding the model. What are the pre-conditions required to re-initiate the system? Please detail which individuals or committee are responsible for making the decision to override the system?	The portfolio manager may take exceptions of up to 20% of the size of any given position. For example, if we have a position of 25% of AUM in a given asset, the PM can add or subtract up to 5% of AUM to this position (+/- 20% of the original position size). Exceptions tend to be smaller than this, and tend to reduce the position (or risk) in unusual circumstances for a short period of time (24-48 hours). The investment committee may take larger exceptions in extreme circumstances, to reduce risk. These exceptions are associated with one-off events that the model cannot foresee, such as the BOJ reaction to the tsunami in March 2011 in Japan, or the SNB underpinning the EUR/CHF at 1.2000.
3.3	**DECISION METHODOLOGY**	
3.3.1	Which of the following activities are influenced by subjective judgement? Please answer by Yes or No, and indicate a % where applicable: • Portfolio structure: • Trade entry: • Trade exit: • Stops: • Position size: • Overall leverage: • Selection of contract maturity: • Timing of position roll: • Addition to or reduction of winning or losing positions: • Decision to halt trading: • Other (please specify):	The answer to all of these are "No," except: We use judgement in selecting the assets we trade. We use judgement in establishing concentration limits, risk limits, and leverage limits put on the portfolio. We use judgement in determining the maximum allowed contract maturity. We use some judgement on timing the position rolls. Plus there is subjective judgement in the limited discretionary trading mentioned in 3.2.11.

3.3.2	If fundamental information is used, what are its sources?	We have Bloomberg subscriptions as well as many live interbank communication windows, but fundamental information is used sparingly as part of subjective decisions.
3.3.3	Do you permit fundamental factors to influence risk management (e.g. liquidating or reducing certain positions before a G7 meeting)?	The portfolio manager can do this within the limits mentioned above.
3.3.4	What technical or fundamental information is considered important for a trade entry signal?	See 3.1.1. – description of Investment Process
3.3.5	Are entry and exit signals generated by the same trading system? If not, please explain how they are generated differently:	Yes.
3.3.6	Are any filters used when selecting trades? If yes, please explain:	Filters are used to size trades, but not to select trades. An example of a filter would be a volatility filter for carry (low/declining vol is better).
3.3.7	Is the trading system always long or short, or is there also a neutral zone? Please explain:	Most of our models yield a continuous output (as opposed to long/short, which is binary), so with position rounding it is possible to have a 0 position.
3.3.8	Are any of the methods below used to close out profitable positions? Please indicate by Yes or No, and %: • Trend reversal: • Trailing stops: • Overbought/oversold indicators: • Volatility: • Price patterns: • Volume/open interest: • Spread relationships: • Change in fundamentals: • Other (please explain):	Yes, for all of these except Trailing Stops and Volume/Open Interest. Also, fundamentals are not used except within the discretion limits.
3.3.9	Does the trading system ever add to or reduce winning or losing positions? If yes, under what circumstances? Are there maximum additions? If so, how is the maximum determined?	Positions are continuously adjusted on a daily basis. It is common for winning positions to be added to or subtracted from – same with losing positions. The portfolio appears to "flow" over time. The individual positions are, however, limited in size by our risk limits.
3.3.10	During drawdowns, do you tend to increase or decrease the scope of discretionary decision-making and non-systematic responses?	Yes. Discretion is usually associated with reducing risk and/or losing positions.

3.4	PRODUCTS AND MARKETS	
3.4.1	Which criteria are considered in portfolio selection (risk, performance, liquidity, volume, open interest, etc.)? Please explain:	Our goal in asset selection is diversification. We strive to include as many markets as possible, given liquidity requirements. Bid/offer spreads are closely monitored in all markets we trade – waning liquidity is a reason to remove an asset from consideration in the portfolio.
3.4.2	Does the trading methodology work better in some markets than in others? If yes, please explain:	Equities behave slightly differently than Currencies/Interest Rates/Ags/Softs/Energy. The latter group are all treated roughly the same way and our answer to 3.4.2. for these markets should be no over the long term.
3.4.3	Are certain markets excluded from the portfolio? If yes, please explain:	Equities are limited, and precious metals are excluded. They do not give us the full complement of strategy diversification.
3.4.4	Are there liquidity, regulatory or other requirements for the inclusion of markets in your portfolio? If yes, please explain:	Liquidity – see 3.4.1.
3.4.5	Position limits: • Describe any past problems with position limits. Which markets or exchanges were involved? • How much money could be managed under the current trading methodology without being restricted by position limits? If, or when, position limits are reached, how will the company modify its methodology?	No previous problems. The maximum AUM we could reach without harming the strategy is $1.5billion – at this AUM we would not be restricted by position limits. The company is mindful to cap growth of AUM to preserve the profitability of the strategy.
3.4.6	How are the markets included in each portfolio selected?	See 3.4.1.
3.4.7	How do you determine the programme's commitment to different market sectors?	It is based on the breadth of strategies we can apply to each market. See answer 3.4.3.
3.4.8	How frequently do you alter the programme's commitment to different market sectors?	Very infrequently – once or twice a year, small adjustments.
3.4.9	Do you apply the same trading system to all markets or are there modified or different trading systems for each? Please describe what these differences are?	Within each strategy heading (Trend, Carry, etc.), we use the same trading systems for all markets that employ these strategies.
3.4.10	Do the markets traded vary according to the account size? If yes, please explain:	No.

3.5	**COMPETITIVE POSITIONING**	
3.5.1	What other advisors have similar characteristics to yours? What do you believe gives your firm a competitive advantage or an "edge"?	We believe our edge is our experience, continuity and diversification. The founders worked together for 17 years before starting ROW. ROW has an ongoing academic affiliation: Ryan serves on the Industry Advisory Board for the UCLA Masters of Financial Engineering (MFE) Program. ROW trades a wide variety of styles, across a wide range of liquid, transparent, actively traded asset classes. Comprehensive systematic risk management is overlaid on the strategies, at multiple levels. And at the end of the process is human oversight—a "reality check" applied during periods of market dislocation.
3.6	**INTELLECTUAL PROPERTY**	
3.6.1	Which components of the company's system, if any, do you regard as proprietary (no details necessary)?	All of the algorithms related to the investment process – forecasting, portfolio construction, and risk management.
3.6.2	Did one or more of the current principals develop the trading methodology? If not, who did?	Yes.
3.6.3	Does the company own the trading methodology currently being used? If not, who does?	Yes.
3.6.4	Are there any intellectual property/formal legal protections held by the company or any of its principals?	Yes – all employees involved in research have signed Confidentially and Non-Disclosure agreements drafted by our attorney.
3.7	**RESEARCH AND PROGRAMME CHANGES**	
3.7.1	Describe the historical and current development of your trading methodology. Please provide the applicable date(s) and explain the nature of all material modifications made to the methodology over the period of the performance record, the reason for such modifications, and the effect of such modifications with respect to the performance record?	All elements of the investment process are considered to be in development at all times. Part of the research process is to augment existing systems as well as develop new systems.

3.7.2	How frequently are changes made to the trading system? Please explain the development and implementation process detailing which individuals are responsible for deciding to change variables or components to the model. What are the conditions for retiring part of the model? Please detail the process for retiring part of the model. Which individuals are responsible for making the decision to retire part of the model? Please detail the individuals authorised to actually make changes to the system codes.	Our trading systems are under constant review, but changes are not that frequent. Changes to the trading systems will start with an intuitive belief that a given system is lacking – typically, we will consider a hypothetical scenario and test whether our systems would behave as anticipated through such a scenario. If we have an algorithmic solution, we will test this idea, using the standard K-fold validation and other anti-overfitting techniques to confirm the benefit of the addition. Then we present the change, with "before" and "after" statistics and scenarios, to the Investment Committee (currently Jeff Weiser and Ryan O'Grady). If the change passes this level, it is "side-implemented," where we run live side-by-side with and without the change for a period of time to ensure the change was implemented properly. Then we merge the runs and the change becomes part of the system. As far as retiring an existing rule, the process would be the same.
3.7.3	Is your research focused on developing new trading systems or on further refining the existing trading systems? What is the split of time/resources dedicated to this?	Both – about 50/50.
3.7.4	Describe your efforts to improve and add to trading programmes through on-going research?	Ryan O'Grady (CEO) sits on the Industry Advisory Board for the UCLA MFE program. ROW has a constant influx of academic talent via interns from the MFE program. Our full time research associate is a graduate of the program. We are linked to a variety of investment bank portals, giving us access to their entire research staff. We also canvas the academic community looking for interesting research in our area, via online search engines for academic work.
3.7.5	Describe any in-house research capacity and explain how externally generated research is used. What is your current annual research budget?	ROWAM is a research firm – all work is done in-house. Ryan O'Grady served as Head of Research for a multi-billion dollar quantitative investment firm for 10 years prior to co-founding ROW. Our research budget is approximately 30% of overall expenditures.
3.7.6	Which external research services are used? List the providers, the type of research services provided and a brief outline of the cost of these services.	None.
3.7.7	Describe your process and practice for the back testing of investment ideas.	All investment ideas must have an intuitive appeal. The key to proper quantitative modelling is to have a prior belief of the framework of the system. We do not believe in "non-parametric" modelling of financial time series. Above that, we use a variety of safeguards to prevent over-fitting of back-tested results, such as K-fold validation, cross-market validation (i.e. an idea that works in one market should work in all similar markets), withheld data, and "double-spread" stress tests (i.e. how would the model respond to a shock in bid/offer spreads available).

3.7.8	Has the firm or any staff member, published or commissioned any research/academic papers? Please provide details.	Ryan O'Grady co-published a paper with Arun Muralidhar and Philip Simotas, regarding the benefits of trading emerging market currencies. **Muralidhar, A., R. O'Grady, and P. Simotas,** 2002, "Emerging Innovative Trends in Currency Management", *FX and MM*, Issue 3.
3.7.9	Describe the three worst trading experiences the company has had (please provide applicable dates), and explain how they influenced the evolution of your company's trading methodology:	Our worst experiences tend to be sudden trend reversals. Three examples are late November 2011 (energy, interest rates), late December 2011 (currency), and mid May 2012 (all markets). These events do not have a significant impact on our trading methodology, as trend reversals are part of how time series behave. We do use them to enhance our risk management and reporting systems.
3.7.10	What leverage adjustments have you made in the past? If any adjustments have been made, why have these been made? When and how were these adjustments implemented? How are such leverage changes communicated to current investors?	None.
3.7.11	Have you altered, or do you alter, the programme during drawdowns? As a result of drawdowns? If yes, please provide the applicable date(s) and explain the nature of such alterations, the reason for such alterations, and the effect of such alterations with respect to the performance record?	No.
3.7.12	Has the trading method been adjusted, or have the markets traded changed due to increased assets under management? If yes, please explain:	N/A
3.7.13	Have you made any specific modifications intended to reduce volatility? If yes, why? When and how were they implemented?	Our strategy mix is designed to increase return per unit of volatility.
3.7.14	Will you modify a trading methodology or portfolio at particular clients' request? If yes, please explain:	Yes – being a systematic manager, there are a variety of ways we can tailor an account at the client's request.

3.7.15	Will increasingly competitive markets affect the performance of your programmes? Will they affect managed futures in general?	If we stopped doing research, yes. Innovation is the key to maintain our performance profile over time. We at ROW consider our research process, pipeline, and intellectual property to be our most critical company asset. We are firm believers in the Adaptive Market Hypothesis and as such, we believe the best way of achieving a consistent level of expected returns is to adapt to changing market conditions through consistent research and model updates/upgrades.

4 PORTFOLIO & ACCOUNTS

4.1	Which of the following instruments are traded and in what percentages? • Exchange-traded futures: • Exchange-traded options: • EFPs: • OTC forwards: • OTC options: • Swaps: • Cash debt instruments: • Cash equities • Other (please specify):	Exchange Traded Futures: 65% Exchange Traded Options: 5% OTC forwards: 30%
4.2	Attach a complete list of all markets traded in each of the above categories. With respect to all OTC, swap and cash markets, please list the counterparts used in each market:	Corn, Cocoa, Cotton, Coffee, Cattle, Lean Hogs, Soybean, Sugar, Soybean Meal, Soybean Oil, Wheat Long Gilt, Euro Bund, 10Y US, 10Y A$ Crude Oil, Heating Oil, Natural Gas, GasOil, Gasoline SP500, Nasdaq, Nikkei 225, STOXX 50, ASX200, FTSE 100 3M Euro$, 3M Euribor, 3M Euroswiss, 5Y UST, A$ Bill, 90D Sterling, Euro Bobl, 2Y UST, 3M Euroyen, 3 Year A$, NZ 3M Bill EUR, CHF, GBP, JPY, CAD, AUD, NZD, CZK, NOK, SEK, USD HUF, PLN, RON, RUB, TRY, ILS, ZAR ARS, BRL, CLP, COP, MXN, PEN INR, IDR, PHP, SGD, KRW, TWD, THB OTC Counterparties: Banco Santander, Bank of America, Barclays, BNP Paribas, Citibank, Credit Suisse, Deutsche Bank, Macquarie Bank, Morgan Stanley, National Australia Bank, Royal Bank of Scotland, SEB, Standard Chartered Bank, Toronto Dominion, UBS, Wells Fargo Bank
4.3	If options are traded, please explain which types: • Covered only, naked, as part of a hedging strategy, "exotic", etc.: • How they are used? • How they are revalued?	Short-dated plain vanilla options (calls, puts). They are used to replicate a mean-reversion strategy. Short-dated options are dominated by "delta" and the P+L stream of a short straddle looks very similar to a short-term mean reversion model. They are valued as "100 delta" positions at all times by our risk model.

		The inverse strategy, trend, runs at a significantly larger weight. The options system provides portfolio diversification with a positive return.
4.4	If options are traded, what option-related volatility measures are incorporated into the programme?	We use a Monte-Carlo simulation of fat-tailed future innovations to stress test our positions every day.
4.5	Are agricultural/soft commodities a significant component in any of your portfolios?	They are part of the portfolio, yes. About 20% of VAR comes from these markets.
4.6	Does your methodology permit or require making or taking delivery of physical commodities? If yes, how often?	No.
4.7	Can a portfolio be customised according to specific customer requirements?	Yes, we could construct a managed account that excludes a given market/strategy.
4.8	Do customised accounts appear in your composite performance record?	No.
4.9	What is the minimum account size? What is the minimum optimal account size for each programme?	$5 mil minimum and minimum optimal.
4.10	What is the dollar value and percentage of equity of the largest account and the smallest account currently open?	Smallest: $3 million (1 managed account). At $3mil the portfolio is slightly suboptimal due to fractional issues with futures contracts. The largest individual investor has $75mil in managed account exposure with us - divided $38mil into Diversified and $37mil in a customized strategy, similar to ROW Diversified. This represents 52% of firm AUM.
4.11	Do you manage an account for any government pension plans or entities?	No.
4.12	For each programme, what would a minimum sized account look like*? For example*, • Which markets would be included? How many contracts of each market would be included?	All markets would be included – no change.

5 MARKET RISK

5.1 GENERAL PRINCIPLES

5.1.1	Who is responsible for risk management at the organisation and to whom do they report?	Ryan O'Grady and Jeffrey Weiser are responsible for risk management.
5.1.2	Please provide a copy of the firm's risk management policy	ROW Asset Management is currently drafting a risk management policy document. Risk management is the most important element of our

	(including an outline of the various funds risk management philosophy, limits, control processes and accountability structures currently operating within the firm). Highlight where these differ by fund or by account.	investment process. Our investment process is systematic, and therefore lends itself to empirical methods of risk estimation. We have "gates" that limit risk at the trade level, the strategy level, and the portfolio level. We have a "Loss Mitigation Model" whose sole purpose is to isolate losing positions and reduce them. The key benefit to our cluster approach to portfolio construction is that we compartmentalize the risk of erroneous estimates of correlation. Please see 15.2.3. for a survey of the risk reporting we do on a daily basis. We also have many years of experience on the "human" side, reducing positions at times when we feel our models are not accurately representing the true risk in the market. These instances are rare, typically associated with exogenous events.
5.1.3	Which systems or applications does the organisation use to manage risk and from where are the underlying models, positional data and market data sourced?	ROW uses its own models to calculate VAR and estimate a distribution of expected future returns. We have extensive experience estimating risk, especially risk of non-normally distributed time series. Market data is sourced from a combination of data providers (most notably Bloomberg) and manual data confirmation with our interbank trading partners.
5.1.4	How are breaches of risk limits handled and how do you ensure that any necessary remedial action has been taken?	We have various risk limits built into our systems, so that position output is algorithmically limited at or below these limits. The final stage of our risk management is human oversight – if we judge that our empirical risk estimates are not accurately representing the true risk in the market, we have the ability to reduce positions at the Investment Committee level.
5.1.5	List any third party risk reporting services to which the organisation provides data, indicating date of engagement, the funds/accounts covered, the types of data provided and the reporting frequency.	None.
5.1.6	Do you trade on exchanges that are open outside local office hours? If yes: • How is the time difference managed? Are there routines in place to minimise the risk of adverse price movements, or price gaps which are due to price movements that occur outside local office hours?	Currency markets trade 24 hours per day, and all of the futures markets we trade have after-hours electronic trading. We run our models once per day, at a time when all the markets we trade are open and liquid. Our portfolio manager maintains constant responsibility for the portfolio – see 6.1.5.
5.2	**PORTFOLIO LEVEL**	
5.2.1	What is the estimated maximum risk on a total portfolio? Please describe the method by which such risk is measured:	Estimated maximum risk is 24% annualized estimated standard deviation. We use a Monte-Carlo technique using non-normally distributed returns to simulate a true fat-tailed environment in order to forecast the future return distribution. The risk estimate is the 2nd moment of this estimated distribution.
5.2.2	Is "value at risk" used in your programme? If so, how do you assess the value at risk of your different market	Yes – we use estimated standard deviation. At ROW we use the terms estimated standard deviation and VAR interchangeably. Estimated standard deviation is one of our units of investment.

	positions and what confidence level do you use?	
5.2.3	How are positions adjusted when there is a significant increase or decrease in equity due to trading profits or losses?	The portfolio is adjusted monthly. In a situation where the AUM has changed considerably intramonth, we would consider rebalancing at that time.
5.2.4	What is your cash management method? Does this create an additional source of risk?	We take as little risk as possible with our cash (checking/savings/margin deposits – no speculation with cash positions).
5.2.5	How are positions adjusted when there is a significant increase or decrease in equity due to trading profits or losses?	The portfolio is adjusted monthly. In a situation where the AUM has changed considerably intramonth, we would consider rebalancing at that time.
5.3	**MARGIN/EQUITY**	
5.3.1	What determines the amount of leverage used?	The driver of leverage is our risk estimate(s). We are targeting estimated risk within a certain band. Where applicable, we have limits on leverage as well (i.e. in the currency sub-portfolio).
5.3.2	How much leverage (% of margin to equity) is used in each programme? • Highest: • Lowest: • Average: • Evolution through time.	The answer differs depending on which methodology is used to calculate margin on FX positions. Standard NOP margin calculations are punitive given how we hold positions in FX. UBS uses such a calculation, but Jefferies uses a VAR-based approach. ROW Diversified average M/E is 22% and 13%, respectively, given UBS and Jefferies calculations of FX margin usage (futures margin calculation is industry standard). Additional information available upon request.
5.3.3	What is the percentage of risk invested in any single market? • Highest: • Lowest: • Average: How is this percentage determined?	<10%, from a VAR standpoint. We have concentration limits on individual markets, but this number is more a function of the number of markets we trade and the variety of strategies.
5.3.4	Are "higher leverage" and "lower leverage" versions of the same programme offered? If yes, please explain how they are structured?	Not currently. This would be easy to do if requested since we are systematic.
5.3.5	Do you impose limits on the amount of margin committed to different markets, sectors, portfolios or counterparties?	Yes.
5.3.6	How do you react if the volume and/or open interest of a market in which a position is held are suddenly reduced significantly?	We would likely reduce the maximum allowed exposure to this market, or eliminate it from consideration completely.

5.4	**CORRELATION**	
5.4.1	Does adding or reducing a position in one market ever influence the size of positions held in other markets? If yes, please explain:	No, except when we hit overall VAR limits on risk in a given strategy/asset class/portfolio.
5.4.2	Do you calculate and analyse the historical or contemporary correlation between markets? If yes, how does such analysis influence portfolio design?	Yes – we use this in cluster construction. But we are careful to compartmentalize this information so that spurious correlations cannot infect the entire portfolio construction.
5.4.3	Do you establish position limits for correlated market groups? If yes, please explain:	Yes – for example, an overall limit on energy exposure in the roll-yield strategy.
5.4.4	Are there a minimum number of markets in which you always hold positions in order to achieve a minimal portfolio diversification effect?	We maintain positions in almost every market at all times, because of the number of distinct strategies we employ and our cluster (multivariate) approach.
5.5	**STOPS**	
5.5.1	If stops are used, please answer the following questions: • On what principles are these calculated? • How often are stops adjusted? • Is the method of establishing stops based on any of the following? 1. Price stops: 2. Time stops: 3. Volatility stops: 4. Money management stops: 5. Other (please specify): If a stop is reached, is the entire position closed out at one time, or is the position reduced gradually?	N/A
5.6	**LIQUIDITY**	
5.6.1	How is liquidity risk assessed, monitored and controlled? Who is responsible for monitoring liquidity? What slippage(%) is typically experienced when a position is completely exited?	We are constantly monitoring liquidity as part of the human oversight and interaction that goes on in the portfolio. Jeff Weiser is the primary, with Ryan O'Grady and Debra Oaks assisting. Slippage is less than 0.10% for most markets, with the average slippage around 0.05%.
5.6.2	Are there any circumstances under which all positions in	No.

	the portfolio will be closed?	
5.6.3	At what percent drawdown would you either stop trading or recommend that an account be closed?	N/A
5.6.4	Does the methodology react to volatility changes in the markets? If yes, please explain how:	Yes – our estimated market impact and slippage is adjusted according to current vs. historical average volatility for each market.

6 EXECUTION & TRADING

6.1 PERSONNEL

6.1.1	Which staff members are authorised to trade on behalf of the funds and/or accounts managed by the firm? Please list their names and outline the scope of their trading responsibility (full discretionary/execution only). Does this include position rolls or currency hedging?	Jeffrey Weiser and Ryan O'Grady are the only authorized traders. Jeffrey Weiser is the primary trader. Mr. Weiser handles all execution responsibilities as well as rolls. We are systematic, so the only discretionary trading is as is noted in section 3.2.11. Ryan O'Grady is the secondary trader.
6.1.2	Does the firm have a separate trade execution team? If so please list their names and outline their relevant experience. How are trades communicated to the trade execution team? Is an audit trail maintained?	No.
6.1.3	Please describe the process for placing a trade, types of orders placed and the process for controlling open orders.	Trade blotters are prepared by our systems and uploaded to our trading platform. But, human oversight and intervention is required to execute the orders – we do not use algorithmic execution. One of our key competencies is executing with minimum or even negative slippage (relative to market levels at the time the signals are generated). Open orders can be seen on screen and are monitored visually.
6.1.4	Who enters the executed trades into the trade capture/position management system and from where is the trade information sourced?	ROWAM's trader enters the trade information in their blotter. The data is reconciled by the trader, as well as ROWAM's back office before being sent to the administrator.
6.1.5	Attach the organisation's offsite trading policy. The policy should describe which staff members are authorised to trade when out of the office, any limits on this activity, the process for ensuring that offsite trades are booked or captured on a timely basis and the front office confirmation process.	All trades done at ROW are executed electronically or verbally with counterparties so that there is no discernible difference between on-site trading and off-site trading. ROW's virtual computing environment ensures access to computers in the Newport Beach office or the DR site in NY at all times. Counterparty trades are immediately reflected at the Prime Broker and FCM's websites. Verification and acceptance of trades is done through these sites and could be done verbally if site access is unavailable. Automated reconciliation of trade reports from Prime Brokers and FCM is done on a daily basis. ROW's primary trader is Jeffrey Weiser with Ryan O'Grady as secondary trader.

6.2	**PROCESS**	
6.2.1	What percentage of your trading is executed via electronic trading platforms/markets?	70% - everything except currency.
6.2.2	Do you employ different execution methodologies for order entry (e.g., computer based execution versus traditional human execution methods)? Does the trading programme incorporate continuous intra-day trading? What measures do you take to manage market impact?	Conveying the orders to interbank counterparties is slightly different than executing on exchanges. Interbank requires text-based or verbal transmission of the orders, whereas virtually all of our futures trading is done on an electronic trading platform. Still, these trades are managed by our portfolio manager (Jeffrey Weiser – primary). Continuous intra-day trading is not part of the strategy. We have considerable experience managing market impact, but it is not a concern at current or near-term likely AUM.
6.2.3	How are trades confirmed with the counterparty? Who is responsible for this, when is it done and how do you ensure that all trades have been confirmed and reconciled against instructions and inventory?	For currency, all trades are submitted to ROWAMs prime-brokers by counterparty banks. Details are also submitted to ROWAMs back-office from the ROWAM traders. Both sides are electronically matched and accepted. Any breaks are reported and resolved same-day. For commodity products, all trades are executed electronically and flow automatically to ROWAM's FCM. Details are also submitted to ROWAMs back-office from the ROWAM traders. Back-office personnel check price executions against FCM statements T+1. Any breaks are reported in that time frame. For both products, ROWAM maintains an algorithmic position reconciliation program to check total and individual positions against expected positions. In addition, positions are reviewed by traders and back-office personnel daily. Statements are reconciled T+1.
6.2.4	Describe the scale of trading activity by reference to: • average trade size by product; • monthly trade volume by product; • typical number of open positions intra-month and at month-end.	Average trade size = ~2% of AUM. RT per million per month ~65 Typically we have ~50 positions open at any given time.
6.2.5	Are trades allocated across multiple funds or accounts? If so, please describe the trade allocation process (including the handling of partial or split fills and the timing of trade allocation, for example at the time of trade entry, trade confirmation or at the end of the day). Please also describe the controls in place to ensure that trades are allocated fairly.	Yes. Investors participating in the same program will be executed together, unless restricted by their investment guidelines. Trades are allocated on the basis of the relative asset size of each participating client. The allocation logic is reviewed on a monthly basis.

6.3	**REBALANCING**	
6.3.1	How are positions established for new accounts, liquidated for terminating accounts, or adjusted for existing accounts to reflect material changes in account equity? Please explain in detail:	All NAV adjustments are handled at the appropriate time – we do not "walk into" new positions since our portfolio always represents the optimal portfolio at that moment according to our systems.
6.3.2	How often do you adjust equity levels?	Monthly.
6.4	**CONTROLS**	
6.4.1	Describe the limit structures within which investment managers/traders operate including who determines the limits, how they are controlled and the process followed if limits are breached.	Traders may deviate 20% above or below the system's position in a given market – i.e. if we have a $1million position in the EUR, they can go from $800,000 to $1.2mil. Trader positions are monitored vs. the system on an on-going basis, and reports are sent to and reviewed by the CEO daily. The Investment Committee (Jeff Weiser and Ryan O'Grady) can reduce risk further in exceptional situations. All such deviations to the system are monitored, and their performance impact recorded and reviewed.
6.4.2	Does the manager undertake any portfolio level hedging? If so, please describe who is responsible for this activity, the types of risks hedged, any limits placed on this activity and the methodology used to allocate the profit or loss from these trades to the underlying funds or accounts.	The Loss Mitigation Model is effectively a portfolio-level hedging program. The Loss Mitigation model decomposes our portfolio into its component pieces, and tracks performance. If there is a particular trade that is losing above a threshold rate, the Loss Mitigation Model reduces exposure to that trade. It is entirely systematic. The PM oversight can also be considered portfolio-level hedging, see 6.4.1.
6.4.3	Attach a copy of the organisation's policy regarding trading errors.	Available upon request.
6.4.4	Have there been any material trading errors in the past 2 years? If so, please describe the trading error, quantify the P&L impact or cost, indicate which entity bore the cost and outline the steps taken to ensure that the error could not re-occur.	No.
6.4.5	Attach a copy of the organisation's personal account trading policy and describe how compliance with the policy is monitored.	Compliance is monitored via Compliance ELF - software provided to us by Cordium. Additional information available upon request.

6.4.6	Does the organisation make use of "soft dollars" or commission sharing arrangements? If so, explain how they are managed and attach any policies covering these areas.	No.
6.4.7	Does the organisation have any relationships which might reduce its trading flexibility or threaten best execution?	No.

7 OPERATIONAL RISK

7.1	How does the organisation define operational risk?	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.
7.2	Who is responsible for operational risk management at the organisation and to whom do they report?	The Risk Management Committee, comprised of Ryan O'Grady, Jeff Weiser, Debra Oaks and Laurie Pisano.
7.3	Describe the operational risk management framework, control processes and accountability structures currently operating within the firm. Highlight where these differ by fund or account.	Our key points of operational risk are: 1. Proper output and dissemination of trading signals. 2. Newport Beach, CA suffers a disruption from an external event. Operational risk is reviewed monthly as part of ROW's Risk Management Committee meetings. There are numerous levels of redundancy in how we verify our system output, and how we check our positions versus the positions the model expects us to have. We have a backup facility in upstate NY to handle event risk (see 13.1).
7.4	When was the operational risk management framework last reviewed and approved by the board/partners?	Operational risk is reviewed monthly as part of ROWAM's Risk Management Committee meetings.
7.5	How does the organisation ensure that employees understand their responsibilities for implementing the operational risk framework and associated controls?	We discuss operational issues on a daily basis and frequently do back-up checks on trading system output to confirm proper operation of our systems. We confirm on a periodic basis that our backup systems are working as well.

7.6	What ongoing assurance does the firm provide to clients over the effectiveness of its operational risk framework? If a SAS70, AAF 01/06 or similar review has been completed, provide the name of the firm who conducted the review, the date of the report, the period covered and list any key weaknesses identified in the report and the actions taken to address them.	O'Grady, Weiser, and Oaks have served in their current roles for the last 19 years. We have considerable experience establishing and maintaining an investment management operation.

8 OUTSOURCED FUNCTIONS

8.1	List all functions which have been outsourced to third parties. Describe the functions outsourced, the name of the service provider, their date of appointment and a brief outline as to how their fees are calculated.	See attached PDF 1.4.1. Org chart – bottom section for detail on outsourced functions.
8.2	What selection and due diligence process does the organisation perform prior to the appointment of an outsourced service provider? Please specify if this process differs for different types of service provider, e.g., custodian, administrator or prime broker.	In all cases we interviewed several candidates, and made final decisions based on best fit for the firm. Due diligence varied depending on the service provider – for prime brokers we considered their reputation in the industry given the types of assets we trade, whereas with lawyers/administrators we depended more on personal references.
8.3	List Service Level Agreements (SLA) currently in place with service providers including the name of the service provider, the effective date of the agreement, the services covered by the SLA, a brief description of how the organisation monitors actual service levels versus those agreed in the SLA and an outline of the sanctions available if service levels are not maintained.	ROWAM has a SLA clause in the agreement with XAND, its co-location facility. The facility guarantees that the Data Center will be available 99.5% of the time and provides compensation if it is not. ROWAM regularly checks its servers at the co-location facility.
8.4	What ongoing assurance does the firm perform over the effectiveness of the controls at outsourced service providers?	We maintain constant oversight and speak daily with business-critical outsourced service providers.

8.5	Does the organisation perform periodic reviews of quality of service, cost and additional value provided by the outsourced service providers?	Yes.
9	**LEGAL**	
9.1	Are there, or have there been, any criminal, civil, regulatory or administrative proceedings or disciplinary action taken against (i) the Investment Manager or any of its current or former key staff or (ii) the funds or investment products or any of their directors or any similar such matters including reparations, arbitrations and negotiated settlements? If so, please provide details. Note: In the case of non-public information relating to private individuals, please disclose the nature of the offence, and the job type of the individual, but do not name the individual.	No.
10	**COMPLIANCE**	
10.1	List the names, titles and summarise the experience of any staff responsible for compliance, noting any other responsibilities each individual has within the organisation.	Ryan O'Grady is Chief Compliance Officer. Ryan has 20 years of experience in the Investment Management industry. Laurie Pisano was hired in August of 2013 to assist with operation and compliance functions. Laurie also has 20 years of experience in the Investment Management industry, specifically overseeing trade operations and operational due diligence.
10.2	Please confirm to whom in the organisation those with responsibility for compliance directly and ultimately report?	Ryan O'Grady is CEO, Laurie Pisano reports to Ryan.
10.3	Describe any current or potential conflicts of interest or any relationships which may threaten the organisation's duty to its clients/investors or potentially breach applicable regulation.	None.

10.4	Does the firm have a formal compliance manual? If so, attach a copy of the organisation's Compliance Manual(s), including the date of the last update.	Yes. Available upon request.
10.5	Provide a summary of the organisation's compliance monitoring program including a brief description of the: • monitoring performed; • frequency of monitoring; • reporting of findings; • escalation process if breaches or concerns are identified.	ROW has a comprehensive compliance monitoring program, as outlined in the attached manual, which incorporates all regulatory requirements and industry best practices. ROW has licensed two software programs from Cordium (formerly HedgeOp) to assist with this: Compliance TRAK – all tasks have been incorporated into a compliance calendar within TRAK. This sends automated alerts, past due reminders and retains an audit trail. Compliance ELF – assists in tracking employee compliance (personal trading, political contribution reporting, attestations and affirmations, etc)
10.6	Please outline your firm's action plan for the latest developments in compliance.	ROW has an ongoing compliance consulting service contract with Cordium (formerly HedgeOp), which includes briefings on regulatory developments.
10.7	Has the organisation or any of its staff ever been the subject of any regulatory action or warning?	No.
10.8	Has any application to a regulatory body on behalf of the organisation or an individual staff member ever been withdrawn or refused? If so, please provide details.	No.
10.9	Has a member of staff ever had their authorisation by a regulatory body withdrawn? If so, please provide details.	No.
10.10	Are any of the organisation's staff involved in other businesses? If so, list the staff member's name, the name of their other business interest(s), describe the nature of the business and quantify how much of their professional time is dedicated to each other business interest.	No.

11 ANTI-MONEY LAUNDERING POLICY

11.1	Who is responsible for Anti-Money Laundering (AML) in the organisation?	All potential customers are screened by FundAdministration.

11.2	Attach the organisation's AML policies and procedures.	All employees of ROWAM undergo annual ethics and AML training provide by Cordium. Additional information available upon request.
11.3	If any AML responsibilities are delegated to third parties, please provide their name(s), a description of the services provided and an outline as to how their performance is monitored.	N/A
11.4	Describe the procedures used to ensure compliance with the organisation's AML policies including details of training provided to staff and ongoing AML compliance monitoring.	N/A

12 INSURANCE

12.1	Outline insurance held for the following areas: • Directors' & Officers' Liability: a) for the funds; b) for the management companies; • Professional Indemnity or Errors and Omissions; • Crime (employee fidelity/third party fraud); • Key Person Insurance; For each area of risk insured, please provide the name of the insurer, the insurer's rating, the level of cover purchased, the renewal date of the policy and any key exclusions or non-standard terms.	ROW Asset Management has sought bids from several insurers on these policies, and can initiate the policies at the request of investors.

13 BUSINESS CONTINUITY

13.1	Attach the organisation's business continuity plan or a detailed summary thereof. Please include an outline of the key scenarios considered and the organisation's planned response to each scenario.	ROW maintains a mirrored server environment at Xand Corporation in Hawthorne, NY. Xand is Westchester County's premier data center and provider of business continuity solutions. Xand maintains a 30,000 square foot custom-built, state-of-the-art facility equipped with the latest in redundant power, environmental control and networking technology. The facility's design provides the ideal environment for assuring the performance and reliability of the most mission-critical business applications. Access to ROW's server is generally available through RDP protocol. In addition, Xand provides temporary office space in the event that remote access is not possible.
13.2	Has the business continuity plan ever been activated? Please describe the scenario and outcome for each activation.	No.

13.3	How frequently is the business continuity plan tested? When was the business continuity plan last tested? Please describe the scope of the test conducted, those involved in the test, a brief summary of the key findings, a list of any necessary remedial actions and confirmation that all remedial actions have been completed.	ROWAM maintains a mirrored server at its colo facility in New York. Files on this server are checked on a weekly basis to make sure that they are up to date. ROWAM conducts DR tests on a quarterly basis. The test conducted during the 2nd quarter revealed an error in the email connectivity. This has been addressed and the site is functioning normally. A successful test was conducted on June 11.
13.4	Has the organisation considered the impact of lack of continuity in the service provided by outsourced service providers? Please describe how the organisation would respond to a service provider being unable to provide a critical service to the organisation or the funds/accounts it manages.	Critical computing systems are maintained by a 3rd party service provider, InHouse IT. While ROW's model technology is proprietary, the environment in which it runs is not. All applications used are industry standard and could, therefore, be maintained by any 3rd party computer team. In the interim, backup computer support can be proved by ROW employees. We also have an on-going relationship with Smithy Consulting, an IT Consulting firm headed by Erik Smith. Erik was the original architect of our infrastructure while employed at InHouse IT.
13.5	Does the organisation comply with the AIMA Guide to Sound Practices for Business Continuity for Hedge Fund Managers?	Yes.

14 OVERALL FUND STRUCTURE

Repeat sections 15 (Master Funds), 16 (Feeder Funds, grouped by Master Fund) and 17 (Bank Accounts, grouped by Master Fund/Feeder Fund) as many times as is required for each fund/structure you manage. Asset and Performance data stated are for each fund - data for each investment programme is contained in section 2.

14.1	Attach a diagram showing all funds involved in this fund structure and the relationships between each fund. For example, for master/feeder structures please show all feeder funds and the master fund.	ROW Diversified Offshore, L.P. is a mini-master feeder to ROW Diversified Fund, L.P. ROW Diversified Offshore, L.P. is BVI domiciled, while ROW Diversified Fund, L.P. is Delaware, USA. ROW Currency Fund, LLC is Delaware, USA domiciled.
14.2	For each fund please show: • fund's full name; • legal form; • country of domicile; • currency of denomination; • fund type (e.g., feeder fund); • regulator/listing, inception date; • last reconciled month end NAV and last audited NAV.	**ROW Diversified Offshore, LP** BVI; Mini-master feeder Launched August 2012 Inactive **ROW Diversified Fund, LP** Delaware, USA; Master Launch July 2012 2013 Audit completed. **ROW Currency Fund, LLC** Delaware, USA; Master Inception November 1st, 2010. 2013 Audit completed.

15 MASTER FUND OR OTHER PRIMARY TRADING ENTITY

Repeat the following for each trading fund structure you manage grouped by master fund

15.1 GENERAL FUND INFORMATION

15.1.1	Fund Name:	ROW Diversified Fund, LP
15.1.2	Please attach a process flow diagram setting out the "life of a trade" from order inception through to reconciliation. Highlight the key controls including: • the frequency with which each control or reconciliation is performed; • the party responsible for the control or reconciliation; • the exception reporting and issue escalation process. Note: If the same operational process is used to support multiple trading entities complete this section once and cross reference for subsequent funds.	Attached – 15.1.2. The trade process begins with collection of spot, forward, commodity and economic rates at set times throughout the day. These rates are processed through ROWAM's proprietary model suite and buy/sell signals are generated. These signals are then bundled and applied to each fund's trading level resulting in actual trading amounts. Bulk trading amounts are submitted to trader for execution. For currency, all trades are submitted to ROWAMs prime-brokers by counterparty banks. Details are also submitted to ROWAMs back-office from the ROWAM traders. Both sides are electronically matched and accepted. Any breaks are reported and resolved same-day. For commodity products, all trades are executed electronically and flow automatically to ROWAM's FCM. Details are also submitted to ROWAMs back-office from the ROWAM traders. Back-office personnel check price executions against FCM statements T+1. Any breaks are reported in that time frame. For both products, ROWAM maintains an algorithmic position reconciliation program to check total and individual positions against expected positions. In addition, positions are reviewed by traders and back-office personnel daily. Statements are reconciled T+1.
15.1.3	Break down and quantify the major categories of fees or expenses charged directly to this Fund. Please use amounts from the last audited financial statements for this Fund and add notes to explain any exceptional or material costs.	Management Fee – 2% Incentive Fee – 20% net new profits, with highwater mark. Org costs, amortized over 60 months.
15.1.4	Disclose any fees or rebates paid by the Fund's service providers to the investment management organisation.	None.

15.2 RISK MANAGEMENT

15.2.1	Who has ultimate authority for the risk management of the Fund?	Jeffrey Weiser and Ryan O'Grady

15.2.2	Attach a diagram showing the source and flow of information used in the risk management of the Fund. Please name the systems and IT tools used in the current risk management processes, clearly indicating whether they have been developed in-house or by a third party.	Risk management (other than the risk management done within the investment process) is handled through a series of reports that were designed by us. These reports are released throughout the day – they are listed below.
15.2.3	List the primary risk measures and limits used to manage the Fund's risk profile and include samples of the key report(s) used for this purpose.	Information on the below items is available upon request: **Trade sheet, FX; Trade sheet, Futures**: FX and Futures are reported separately because they are OTC forwards, and futures/options on futures, respectively. **Check It, FX; Check It, Futures**: Verifies that actual positions (as sourced from our PB/FCM) match the desired position of the model. Differences are highlighted and reviewed by the CEO daily. **Factor risk analysis, FX**: We track our exposure to the FX market versus a variety of passive investment styles. **Risk analysis, Futures**: We monitor risk at the position level and the portfolio level within the futures book. **Monte Carlo Risk Sheet**: This is our all-encompassing risk report. Rather than use empirical methods of risk estimation, as in the reports above, we simulate future paths for all time-series we trade using a fat-tailed data generating process. Using simulated as opposed to historical data allows us to stress-test our portfolio beyond what we have seen in the past.
15.2.4	How liquid are the Fund's investments and how is liquidity measured and controlled?	Very liquid – most of our markets have 24hr trading, or almost 24hr trading. Liquidity is constantly monitored by the PM.
15.2.5	How long would it take in normal market conditions to liquidate the Fund without incurring unusual costs? Please show the percentage of the Fund's current NAV which could be liquidated within each redemption time frame.	In normal market conditions, the positions themselves could be liquidated in seconds. The delay would be the human oversight of the execution, perhaps 15-30 minutes.
15.2.6	How would this change if markets were distressed?	Please contact the Manager directly to discuss position liquidation procedures during distressed markets.

15.2.7	Outline the worst case scenario for Fund liquidity with reference to both the Fund's assets and investor redemptions. Do the liquidity terms of the investor-facing Funds appropriately reflect the underlying liquidity of the Fund's assets? If not, how would the mismatch be handled?	The worst-case scenario for liquidity would be the closure of one or more exchange, such as happened after the 9-11 attacks. During that time, OTC markets still functioned, so currency market liquidity was available. But US futures positions did not have liquidity until the markets reopened. Liquidity terms facing the investor are "monthly" – there is no liquidity mismatch.
15.2.8	How is counterparty risk measured, managed and controlled?	Counterparty risk is mitigated where possible by use of a prime broker. The credit ratings of our counterparties are constantly monitored.
15.2.9	What portfolio data can the manager provide to investors and with what frequency?	We could provide daily portfolio snapshots.
15.2.10	How are the Fund's Directors involved in the oversight of the risk management process?	N/A
15.3	**TREASURY**	
15.3.1	Who has ultimate authority for the Fund's financing and any hedging activities?	N/A
15.3.2	Which risks are hedged, how is each risk hedged and how is profit or loss from hedging activities allocated to the investor facing Funds?	N/A
15.3.3	What proportion of the Fund's NAV is held in unencumbered cash? How is unencumbered cash calculated, monitored and controlled? (please list the individual responsible for the same) How and where is unencumbered cash invested? How much notice is required for the cash to be repatriated to the Fund's bank account (please break down if appropriate)? Do any penalties apply for early redemption of, for example, treasury deposits?	~70%. Additional Information available upon request.

15.3.4	Does the manager or the Fund have any other relations(s) with the entity where the Fund's unencumbered cash is held and does any party have a legal interest in the unencumbered cash held by that party?	No.
15.3.5	How are transfers of securities or payments of cash effected for the Fund? Who is responsible for preparing wires or transfer requests, how are they checked and who is authorised to approve them?	FundAdministration prepares wires, and Ryan O'Grady or Jeffrey Weiser will review and approve.
15.4	**VALUATION**	
15.4.1	Who is the ultimate authority for the valuation of the Fund's assets?	The administrator has the ultimate authority.
15.4.2	Attach a copy of the Fund's pricing and valuation policy.	Available upon request.
15.4.3	When was the pricing and valuation policy last updated and by whom was the current version approved?	October 2013 – approved by Ryan O'Grady.
15.4.4	Is an independent third party valuation specialist used to value some or all of the Fund's assets? If so, when were they appointed, which assets are covered, how often are the assets valued and from where does the third party source transactional and market data?	N/A
15.4.5	Provide a breakdown of the Fund's NAV using SFAS 157 or IAS 39 categories as per the Fund's latest audited financial statements. Please clearly indicate which products or instruments fall into each category.	Exchange traded futures are level 1. Currency forwards are level 2.
15.4.6	Describe how valuations are independently verified at month end and clearly state who is responsible for this process.	The administrator prepares the valuation, using inputs sourced from UBS and Bloomberg. Exchange closing prices are used for futures positions. ROWAM personnel will reconcile the administrator's valuation and investigate any discrepancies.

15.4.7	How are any month-end valuation differences or disputes resolved?	The markets in which ROW participates are very liquid. However, if a discrepancy arises, it will be investigated until both parties can reach an agreement. If necessary, the administrator would utilize an independent third party for pricing. In order for ROW to override the administrator, upper management approval, at the administrator, is required.
15.4.8	Where models are used in valuations, please describe how models are initially validated and how their ongoing appropriateness is assessed.	N/A
15.4.9	How do the Fund's Directors ensure that the Fund's investments are appropriately valued?	Valuations are done according to our Valuation Policy and are reconciled prior to being finalized.
15.4.10	Does the Fund adhere to the AIMA Recommendations on Hedge Fund Valuation?	Yes.
15.5	**AUDITOR AND LEGAL ADVISERS**	
15.5.1	Provide details of the appointed auditor, including the firm name, address, contact details for the primary contact and date of appointment.	Matthew L. Anderson, CPA Rothstein Kass 9171 Wilshire Boulevard, Suite 500 Los Angeles, CA 90210 Business Telephones: (310) 887-5246, (949) 399-1865 Fax: 949-399-1864 Email: manderson@rkco.com
15.5.2	Have the Fund's financial statements ever been qualified in any way?	No.
15.5.3	Provide details of any non-audit services provided by the auditing firm to the Fund or investment manager.	Rothstein Kass does the tax preparation for ROWAM.
15.5.4	Provide details of the legal advisers to the Fund including firm names, addresses, contact details for the primary contact, length of relationship and type of advice supplied.	Bart Mallon Cole-Frieman Mallon & Hunt LLP One Sansome Street | Suite 1895 | San Francisco CA 94104 Tel: 415-868-5345 | Fax: 415-493-0154 | bmallon@colefrieman.com http://www.hedgefundlawblog.com
15.5.5	If either the auditor or any legal adviser has been changed in the last three years, please provide the name of the former service provider and explain the rationale for the change.	N/A

15.6	ADMINISTRATOR	
15.6.1	Provide details of the appointed administrator, including the firm name, address, web site, primary contact details and date of appointment.	Kittie Kwan FundAdministration, Inc. 4175 Veterans Memorial Hwy, Suite 204 Ronkonkoma, New York 11779 P (631) 737-4500 F (631) 737-4513
15.6.2	Provide a copy of the administration agreement and any fee schedule. If this is not possible, please provide a summary of key terms, including fee scales.	Available upon request.
15.6.3	Describe the services provided to the Fund by the administrator, the frequency with which each service is provided, the location from which the administrator provides the service and detail the checks used by the manager to verify that the administrator is performing its duties effectively.	The administrator provides the following list of services for both the Currency Fund and the Diversified Fund: **Processing of Transactions and Cash Management** Reconcile cash and brokerage accounts (weekly/as needed) Mark portfolio to market and provide gross trading P&L (monthly) Facilitate and maintain copies of wire authorizations to transfer funds (as needed) Arrange for payment of and maintain copies of approved expenses (as needed) **Investor Services (Registrar and Transfer Agency Functions)** Process subscriptions, redemptions and transfers (as needed) Verify identity of investors to comply with KYC requirements (as needed) Maintain investor documentation and review for completeness (as needed) Prepare and disseminate monthly reports to investors (monthly) Respond to prospective investor inquiries and due diligence requests (as needed) **Fund Accounting and NAV Calculation** Maintain the General Ledger and Trial Balance (monthly) Record all entries required to reflect the activity of the accounts (monthly) Prepare monthly reconciliations of receivables and payables (monthly) Allocate profits and losses to investors in accordance with legal documents (monthly) Calculate management and performance allocation/fees (monthly) Calculate the rate of return and Net Asset Value (monthly) Issue a standard monthly reporting package (monthly) **Audit and Tax Coordination** Coordinate and provide assistance to Auditor/Tax preparer as necessary (annual) Prepare all schedules necessary to facilitate the preparation of K-1's (annual) Prepare year-end audit confirmations (annual) Draft financial statements including footnotes and supporting schedules (annual) Provide all documentation in our possession to facilitate the audit process (annual)
15.6.4	List any systems or applications provided to the manager by the administrator which are critical to the on-going operations of the Fund.	None.

15.6.5	Does the administrator have an effective business continuity plan? When was the plan last reviewed by the manager, has it been tested in the last 12 months, what were the results of the test and has the business continuity plan ever been activated?	Yes, the administrator has an effective business continuity plan. It was last reviewed by the manager June 2013. Yes, it has it been tested in the last 12 months. The business continuity plan was activated during the last major storm in the North East that caused power outages. FundAdministration had minimal down time and no loss of connectivity during the outages.
15.6.6	Does the Fund have a Service Level Agreement with the administrator? If so, please summarise the primary service levels agreed, the associated sanctions if these levels are not achieved and remedial action is not effective within the agreed time period.	No.
15.6.7	Does the administrator accept liability for the non-performance or inadequate performance of the services provided to the Fund? Does the Fund or manager indemnify the administrator? If so, please describe under which circumstances the administrator is indemnified.	No.
15.6.8	Has the administrator engaged a third party to complete a SAS70 or similar controls review? Which third party was appointed, when were they appointed, when was the last review completed? Has a copy of the report been given to the manager and can a copy be provided to investors? If a copy of the report cannot be provided, please attached a summary of any material issues identified and describe the actions taken to resolve them.	Yes, FundAdministration engaged a third party to complete a SAS70. They used Brightline CPA's (previously SAS 70 Solutions). They have a 5 year agreement with Brightline – engaged in 2008. The last review was completed in 2010. And, yes, a copy was given to ROW and a copy can be provided to investors.

15.7	**PRIME BROKERS** **Please repeatthis section for eachprime broker or exchange traded derivative clearing broker/futures commission merchant used.**	
15.7.1	Name of entity providing prime brokerage services, primary office address and name and contact details of the relationship manager.	UBS: Ryan Connolly Executive Director FX Prime Services Sales 677 Washington Blvd Stamford, CT 06901 ryan.connolly@ubs.com (w) 203 719 3972 Jefferies Bache, LLC Carlos Cabrera Managing Director Tel: 1 212 778 8790 (Direct) Cell: 1 201 410 3751 Fax: 1 646 514 9652 Email: ccabrera@jefferies.com
15.7.2	Provide a copy of the prime brokerage agreement, and any fee schedule. If this is not possible, please include a summary of key terms including fee scales.	Available upon request.
15.7.3	Describe the services provided to the Fund by the prime broker and clearly indicate how business is split (fund exposure by percentage) between multiple prime brokers.	ROWAMs prime brokers provide a clearing facility for ROWAM trades. Trades executed with counterparty 'spoke' banks are assumed by the prime broker creating a single facing entity under standard ISDA and NDF Master Agreements. Other services provided by prime brokers include, but are not limited to, electronic trade matching, position inventory, daily valuation of inventory and client support to resolve problems. Currency is 100% UBS. FCM is Jefferies 100%.
15.7.4	Does the Fund or manager have any other relationships with the prime broker or any entity which is part of the same group?	No.
15.7.5	How is the relationship with the prime broker margined? Please explain the methodology or methodologies used to calculate margin requirements and mark up over exchange or clearing house margin added by the Prime Broker, the processes used by the manager or administrator to validate margin calls, the assets which can be provided as acceptable margin and the extent to which margin is calculated on a cross-product basis.	Available upon request.

15.7.6	Does the prime brokerage agreement contain any trigger events or thresholds which would allow either party to terminate the agreement or would allow the prime broker to change margin or other key terms?	No.
15.7.7	How much notice does either party need to provide to terminate the prime brokerage agreement?	"Prior written notice" is required.
15.7.8	Describe the methodology used to charge for prime brokerage services and disclose the amount paid in the last financial year as per the audited financial statements.	$3 commission at Jefferies $5 per million at UBS. 2013: $95,433
15.7.9	How much cash is (i) typically held and (ii) currently held with the prime broker? What credit and debit interest rates are applied to cash held (either margined or unencumbered)?	We typically hold cash in slight excess of what is necessary at the Prime Brokers, and the rest is held in the Fund bank account.
15.7.10	Does the prime broker also act as custodian for the fund's assets? If so, list the types of asset for which custody is provided.	No.
15.7.11	Are any custody functions delegated to any other custodian? If so, please provide details.	No.
15.7.12	Are the Fund's assets held in the Fund's own name and are they segregated from the prime broker's assets?	Yes.
15.7.13	Does the prime broker have a security interest in the assets of the Fund and, if so, what form of security interest does it have and is it limited in any way?	No.

15.7.14	Does the prime broker have the right to re-hypothecate or lend the Fund's assets and, if so, are there any limitations placed on the prime broker's right to re-hypothecate? Are the assets of the fund currently being rehypothecated by the prime broker? What procedures are in place at the firm to monitor these levels? How frequently are they being monitored?	From the Account Agreement: Customer grants Jefferies the right to borrow, pledge, repledge, hypothecate, rehypothecate, loan or invest any of the Collateral without any obligation to pay or to account to Customer for any interest, income or benefit that may be derived therefrom, unless otherwise separately agreed in writing by Jefferies and Customer. Jefferies claims they have not re-hypothecated securities in 26 years. They suggest we ask them quarterly if they have started re-hypothecating securities. Their Head of Client Services also provides the following: **SEGREGATION** Pursuant to its registration as an FCM and Section 4d (a) of the Commodity Exchange Act, Jefferies Bache is required to "treat and deal with all money, securities, and property received by such person to margin, guarantee, or secure the trades or contracts of any customer of such person, or accruing to such customer as the result of such trades or contracts, as belonging to such customer. Such money, securities, and property shall be separately accounted for and shall not be commingled with the funds of such commission merchant…" With respect to foreign futures and options, CFTC Rule 30.7(a) provides that, with certain exceptions "a futures commission merchant must maintain in a separate account or accounts money, securities and property in an amount at least sufficient to cover or satisfy all of its current obligations to foreign futures or foreign options customers denominated as the foreign futures or foreign options secured amount. Such money, securities and property may not be commingled with the money, securities or property of such futures commission merchant, with any proprietary account of such futures commission merchant, or used to secure or guarantee the obligations of, or extend credit to, such futures commission merchant or any proprietary account of such futures commission merchant." For Cleared Swaps Customers, in accordance to CFTC Part 22 rules, Jefferies Bache must treat and deal with all collateral deposited by a customer to margin its Cleared Swaps as belonging to such customer and must separately account for and may not commingle such collateral with its own property and may not, with certain exceptions, use such collateral to margin Cleared Swaps of any person other than the customer depositing such collateral. In summary, FCM's are required to maintain their customers' funds and margin deposits in accounts that are totally separate from their own. The rules further stipulate that such funds can be used only for the purposes the customers intended and can at no time be commingled with the firm's funds. The banks and the exchange clearing houses at which these accounts are held must acknowledge that the funds in those accounts are customer funds, and cannot be used to offset any obligation owed to it by the firm.
15.7.15	Has the prime broker completed a SAS70 or similar controls review? Who performed the review, when were they appointed and when was the last review completed?	UBS maintains a group-wide internal audit function that is directly accountable to the Board of Directors of UBS AG. The internal audit function audits each of the business divisions of UBS on cycles varying from one to three years based on periodic assessments by group internal audit and the audit committee of the Board of Directors. In addition, UBS utilizes Ernst & Young as their principal external and independent auditor across UBS Group. UBS AG and its subsidiaries including UBS Limited and UBS Securities LLC are also subject to regular examinations and onsite inspections by numerous regulatory authorities.
15.8	**EXECUTING BROKERS**	
15.8.1	Attach a table showing the names of all executing brokers used for exchange traded transactions, the types of trades executed with each and the name of the clearing or prime broker to whom executed trades are given-up. What is the process for opening a new trading relationship? Who is authorised to sign off on the documents? Is this a two-signatory process?	N/A

15.9	**OTC COUNTERPARTIES (Other than Prime Brokers covered in 15.7)**	
15.9.1	Name of entity, primary office address and the name and contact details of the relationship manager.	N/A
15.9.2	Describe the types of instrument traded with the broker or counterparty and, where relevant, specify the form of master or give-up agreement under which the instruments are traded.	N/A
15.9.3	Describe the form of legal agreement covering any give-up relationships and describe the processes and controls around the prime broker's acceptance of give-up trades.	N/A
15.9.4	How is the relationship margined? Please explain the methodology used to calculate margin requirements, the processes used by the manager or administrator to validate margin calls and the assets which can be provided as acceptable collateral.	N/A
15.9.5	How many open positions does the Fund currently have with this counterparty?	N/A
15.9.6	Does the legal agreement covering this relationship contain any trigger events or thresholds which would allow either party to terminate the agreement or would allow the broker or counterparty to change margin or other key terms?	N/A
15.9.7	How much notice does either party need to provide to terminate the legal agreement?	N/A
15.9.8	What is a typical monthly trading volume with this broker or counterparty?	N/A
15.10	**Custodian or sub-custodian not previously mentioned under section 15.7 or 15.9.**	
15.10.1	Name of Custodian	Jefferies acts as FCM for the fund; a traditional custodial relationship does not exist.

15.10.2	Describe the types of asset held in custody by this custodian.	N/A
15.10.3	Provide a copy of the custody agreement with any fee schedule. If this is not possible, please a summary of key terms including fee scales.	N/A
15.10.4	Describe the segregation status of the Fund's assets at the custodian.	N/A
15.10.5	Does the custodian have a security interest in the assets of the Fund and, if so, what form of security interest does it have and is it limited in any way?	N/A
15.10.6	Are any custody functions delegated to any other custodian? If so, please provide details. Is the investment manager able to take custody of the assets of the fund under any circumstances?	N/A

16 FEEDER OR OTHER FUNDS INTO WHICH INVESTORS DIRECTLY INVEST

Repeat the following for each investor-facing fund structure you manage grouped by master fund.

16.1	**GENERAL FUND INFORMATION**	
16.1.1	Fund Name	ROW Diversified Fund, LP
16.1.2	Attach the current Private Placement Memorandum or Offering Memorandum for the Fund. If this cannot be provided by the organisation completing the questionnaire, please provide contact details for the party who can provide this information.	Available upon request.
16.1.3	Attach the audited financial statements for the Fund for the last 3 years.	Available upon request.
16.1.4	Attach the current marketing presentation or document for the Fund.	Available upon request.
16.1.5	Does the Fund have a seed investor? If so, please describe their relationship with the organisation and its partners or employees and highlight any areas where their terms, rights, ability to influence the organisation or access to information are different to those of other investors.	No, the founders provided initial limited partner capital.
16.1.6	Who holds the Fund's voting shares (or equivalent)?	ROW Asset Management is the General Partner of the Fund. The General Partner is responsible for the management of the Partnership's affairs. Limited Partners do not have any right to participate in the management of the Partnership and have limited voting rights.
16.2	**FEES**	
16.2.1	Management Fee: Annual percentage, frequency of payment and amount paid in the past financial year as per the audited financial statements.	The General Partner will receive a monthly management fee paid in advance (the "Management Fee"). The Management Fee is equal to 1/12 of 2% (a 2% annual rate) of the Opening Balance of the Capital Account of each Limited Partner at the beginning of the month. The Management Fee will be appropriately prorated to reflect any capital withdrawals and contributions which occur during a month.

16.2.2	Performance Fee: Annual percentage, calculation methodology including any hurdle rates and high water marks (including how the high water mark is reset), frequency of payment, amount paid in the past year as per the audited financial statements and the amount of any remaining loss to be recovered before any high water mark is reached.	As of the last Business Day of each calendar year and as of any date on which a Limited Partner makes a withdrawal or receives a distribution from such Limited Partner's Capital Account, the Partnership ordinarily will charge against the Capital Account of a Limited Partner, and credit to the General Partner's Capital Account a performance allocation (the "Performance Allocation") in an amount equal to twenty percent (20%) of the Net New Profit in each Capital Account (or solely the Capital Account relating to such withdrawal or distribution, as applicable). "Net New Profit" is any amount by which the net asset value of a Limited Partner's Capital Account exceeds the High Water Mark for such Account. The "High Water Mark" for a Capital Account is the net asset value of such Account immediately after the assessment of the most recent Performance Allocation (deducting the amount of any withdrawals or distributions since such assessment) or, if the Account has never been assessed a Performance Allocation, the net asset value of such Account when it was established (deducting the amount of any withdrawals or distributions since it was established). The High Water Mark for a Limited Partner's Capital Account is calculated net of the Performance Allocations charged against such Account. This means that the General Partner is not required to "restore" the amount of any Performance Allocation charged against a Limited Partner's Capital Account before participating in future appreciation in the value of such Account in accordance with the formula described above. Although the High Water Mark for an Account carries forward from year to year until exceeded, the General Partner is not required to "repay" any Performance Allocation paid to it in the event such Account subsequently experiences losses.
16.2.3	Which equalisation methodology does the Fund use?	N/A
16.2.4	Break down and quantify the major categories of other fees or expenses charged directly to this Fund. Please use amounts from the last audited financial statements for this Fund and add notes to explain any exceptional or material costs.	All organizational costs and expenses related to the offer and sale of Interests, estimated not to exceed $25,000, shall be borne by the Partnership. The Partnership will amortize such costs over a 60-month period.
16.2.5	Quantify any unamortised launch costs and explain the policy for amortising these costs.	N/A
16.2.6	Do all investors in this Fund and all other feeder funds in this fund structure pay the same fees? If not, please explain by type or category of investor and detail how these arrangements are documented, how any fee rebates are handled and any policies covering this area.	ROW employees do not pay fees.

16.2.7	Are fees ever charged by a third party? Is the fund permitted to charge a subscription or redemption fee? Has this ever been charged to any investor?	No to all questions.
16.3	**SUBSCRIPTIONS**	
16.3.1	Is the Fund open to new subscriptions and, if so, when can new subscriptions be made and how much notice is required?	Yes, monthly, 10 days' notice preferred.
16.3.2	What is the minimum initial subscription amount and are subscription fees charged?	$1 million is the minimum initial subscription. No subscription fees are charged.
16.3.3	What is the minimum amount for any subsequent subscription?	No minimum.
16.3.4	Are certain share classes available in different currencies or unavailable to some investors? List the terms for different classes and note whether they are currently open for subscription. How are different currency share classes hedged?	No.
16.3.5	Has any investor been given better terms through the use of "side letters"? Please provide a summary of the terms agreed and explain why these terms were approved.	No. Employees of ROW do not pay management or performance fees, but are subject to same redemption terms.
16.4	**REDEMPTIONS, GATES AND LIQUIDITY**	
16.4.1	Describe the terms of any lock-up period and whether it applies to all investors.	No lockup.
16.4.2	Describe the methodology used to process redemptions where there are multiple subscriptions from a particular investor, some or all of which are within the lock-up period.	There is no lockup. All redemptions are processed the same.
16.4.3	When can investors redeem and how much notice is required?	Monthly. 10 days notice is required.

16.4.4	Has the redemption notice period ever been waived or changed and, if so, under what circumstances?	The markets we trade are very liquid, we can accommodate this.
16.4.5	Under what circumstances can redemptions be suspended and which party or entity has the right to suspend redemptions?	**Suspension of Redemption and Deferment of Redemption Proceeds.** In certain circumstances, the General Partner, in its sole and absolute discretion, may suspend the valuation of the Partnership's property, the right or obligation to redeem Interests (including the right to receive redemption proceeds), and/or extend the period for payment on redemption. In addition, the General Partner may suspend the right of withdrawal or postpone the date of payment for any period during which there is an extraordinary circumstance as determined in good faith by the General Partner.
16.4.6	Detail any times when redemptions have been suspended and include background as to why it was necessary.	This has not happened.
16.4.7	Describe how and when redemption proceeds are paid, whether interest is paid on redemption proceeds and, if so, how it is calculated.	Payments on Withdrawal. The Partnership ordinarily will pay not less than 95% of the proceeds payable to an investor in connection with a withdrawal within thirty (30) calendar days following the end of the month in which the withdrawal is effective. Any outstanding balance will be paid as soon as is reasonably practicable following the completion of the Partnership's annual audit for the year in which such withdrawal was effective. Withdrawal proceeds payable in connection with a withdrawal effected at a time other than as of the end of a calendar year are reduced by the amount of the Performance Allocation (if any) charged in connection with such withdrawal. The Partnership may pay withdrawal proceeds in cash.
16.4.8	Is a redemption fee charged, or has one ever been charged? If so, please specify the amount and any other relevant details?	No, never.
16.4.9	Does the Fund have the right to redeem "in specie"? If so, please describe under what circumstances "in specie" redemption might be considered, the types of asset which might be delivered, the valuation policy and how the process would be managed.	No.
16.4.10	Has the Fund ever redeemed "in specie"? If so, please describe the background circumstances and the type of assets distributed.	No.

16.4.11	Describe any fund-level gates, the way in which the gate level is determined (fund level, share class level, investor level) the circumstances under which the gate would be applied and the treatment of any requested redemption amount in excess of the gate.	No gates.
16.4.12	Which party or entity has the right to operate or waive the operation of the gate?	N/A
16.4.13	Detail any times when gates have been operated on fund redemptions and include background as to why it was necessary to operate the gate.	N/A
16.4.14	Detail any times when criteria for operating the gates have been met but the gates were not activated.	N/A
16.4.15	Are all investors in this Fund and all other feeder funds in this fund structure subject to the same redemption and liquidity terms? If not, please explain by type or category of investors and detail how these arrangements are documented.	Yes.
16.4.16	Does the Fund have the right to create "side pockets" or similar? Is there a percentage limit? If so, under which circumstances would such creation be considered, which party or entity would make this decision, which assets might be transferred to the new vehicle and what management or incentive fees would be charged?	No.
16.4.17	Has the Fund ever created a side pocket or similar? If so, please describe the background circumstances, the type and amount of assets transferred, the fees charged and for how long it was operated?	No.

16.4.18	Describe the accounting and reporting policy for the residual fund, new vehicle and composite.	N/A
16.5	**FUND GOVERNANCE**	
16.5.1	Attach a document listing the Fund's current directors, their date of appointment, a brief biography for each, details of any other directorships they hold, total annual fees, and any potential conflicts of interest.	ROW Diversified Fund, LP does not have directors. However, Ryan O'Grady and Jeffrey Weiser serve as directors for ROW Diversified Offshore Ltd.
16.5.2	Does the Fund indemnify the directors? Please detail any indemnity provided.	N/A
16.5.3	Does the Fund indemnify the Manager for any losses incurred? If so, under what circumstances	No.
16.5.4	Board Meetings: • how often does the Fund's board meet? • how many directors are required for the board to be quorate? • where are board meetings held? • which reports or matters are considered or reviewed by the directors at each board meeting? • does the board consider reports or take advice from third parties? • please attach an agenda and minutes from the most recent board meeting.	N/A
16.6	**PROFESSIONAL ADVISERS/THIRD PARTIES**	
16.6.1	Provide details of the appointed auditor, including the firm name, address, contact details for the primary contact and date of appointment.	Rothstein Kass Matthew L. Anderson, CPA 9171 Wilshire Boulevard, Suite 500 Los Angeles, CA 90210 Business Telephones: (310) 887-5246, (949) 399-1865 Fax: 949-399-1864 Email: manderson@rkco.com
16.6.2	Have the Fund's financial statements ever been qualified in any way?	No.

16.6.3	Provide details of any non-audit services provided by the auditing firm to the Fund or investment manager.	Rothstein Kass prepares the firm's tax return.
16.6.4	Provide details of the legal advisers to the Fund, including firm names, addresses, contact details for the primary contact, length of relationship and type of advice supplied.	Bart Mallon Cole-Frieman Mallon & Hunt LLP One Sansome Street | Suite 1895 | San Francisco CA 94104 Tel: 415-868-5345 | Fax: 415-493-0154 | bmallon@colefrieman.com http://www.hedgefundlawblog.com
16.6.5	If either the auditor or any legal adviser has been changed in the last 3 years, please provide the name of the former service provider and explain the rationale for the change.	N/A
16.6.6	Does the Fund use external promoters or distributors? If so, please disclose their regulatory status and the date the relationship was established.	Hedge Harbor, appointed June 1st, 2014.
16.6.7	Who has authority to appoint third party service providers such as lawyers, administrators, auditors, brokers, prime brokers and to establish relationships with new counterparties?	Ryan O'Grady, Jeffrey Weiser
16.7	**FUND DATA**	
16.7.1	Attach a spread sheet showing, for the Fund: • verified month-end NAV; • gross and net performance; • monthly AUM; • monthly aggregate subscriptions, redemptions and transfers from inception.	Available upon request.
16.7.2	Provide a breakdown of the last month-end Fund NAV by investor type: • Pension Fund; • Other Institutional Investor; • Family Office; • Fund of Funds; • Individual HNW; • Wealth-managed HNW; • Partners/Employees of the Investment Manager.	100% Individual HNW.

16.7.3	What percentage of the last month-end Fund NAV was held by the largest single investor?	50%
16.7.4	What percentage of the last month-end Fund NAV was held by the largest 10 investors?	100%
16.7.5	What percentage of the last month-end NAV was held by "benefit plan investors" and how is this monitored and controlled?	0%
16.7.6	How are the investments in the Fund by partners/employees or related parties structured? Please explain the key terms and highlight any differences between the terms of the partners, employees, any related parties and those of other investors.	Investments in the Fund by partners/employees will likely not be subject to management/incentive fees; however they will be subject to the same redemption and other terms that apply to all other Fund investors.
16.7.7	Have any partners, employees or related parties materially increased or decreased their investment in the Fund during the past 12 months?	No.
16.7.8	What have been the 5 largest capital withdrawals from the Fund since inception? Please provide the date of the withdrawal, the % of AUM as of the withdrawal date, whether it was a full or partial redemption, whether any fund gate or other liquidity restriction was imposed and the reason for the withdrawal.	N/A

16.8	INVESTOR REPORTING	
16.8.1	Summarise the reporting and transparency policy, highlighting the approach to: • portfolio transparency; • risk reporting; • timeliness of reporting; • equality of disclosure (including details of any preferential treatment of investors); • disclosure of employee co-investment; • reporting of composite NAVs where funds have been split or merged; • matching fund or class performance data with terms agreed with specific investors.	The following services are provided by our administrator: **Investor Services (Registrar and Transfer Agency Functions)** Process subscriptions, redemptions and transfers (as needed) Verify identity of investors to comply with KYC requirements (as needed) Maintain investor documentation and review for completeness (as needed) Prepare and disseminate monthly reports to investors (monthly) Respond to prospective investor inquiries and due diligence requests (as needed) **Fund Accounting and NAV Calculation** Maintain the General Ledger and Trial Balance (monthly) Record all entries required to reflect the activity of the accounts (monthly) Prepare monthly reconciliations of receivables and payables (monthly) Allocate profits and losses to investors in accordance with legal documents (monthly) Calculate management and performance allocation/fees (monthly) Calculate the rate of return and Net Asset Value (monthly) Issue a standard monthly reporting package (monthly) We could also provide bespoke risk reporting as desired by the client on any of the points listed here, or on the risk reporting we do internally.
16.8.2	Who calculates the NAV of the Fund, how often is it calculated and how is it reconciled and approved?	We calculate a daily NAV using P&L provided by Fundadministration. The official monthly NAV is prepared by FundAdministration. Once the reporting is available, it is reconciled against our own records, as well as those of the brokers. Any discrepancies are investigated and resolved prior to approval.
16.8.3	Has the Fund's NAV ever been re-stated? If so, please explain when this occurred, the reasons for the re-statement and action(s) taken to ensure that the underlying issue requiring the re-statement was resolved.	No.
16.8.4	List all regular correspondence or reporting sent to investors, including a brief description of the correspondence or report, the frequency of distribution and, where possible, how the information is distributed. Please also attach copies of all investor communications from the organisation or Fund distributed over the last 12 months.	In addition to monthly NAV statements from FundAdministration, we provide a Monthly Performance Report. Additional information available upon request.

16.8.5	Describe other matters which would be communicated to investors, such as key personnel changes, regulatory changes or events, material changes in investment strategy or risk management process, changes of service provider, material changes to systems or processes etc.	All of these matters would be communicated to investors, either as part of the Monthly Performance Report, or in a mid-month "update" email.
16.8.6	To which databases, industry publications or other sources does the manager regularly report Fund performance and assets?	Barclay Hedge MoatSpace Equest
16.8.7	Is the Fund's reporting AIMR/GIPS compliant?	Yes, fund reporting provided by FundAdministration is AIMR/GIPS compliant.

17 BANK AND OTHER ACCOUNTS

Please repeatthis section for each account held by a fund you manage, grouped by master fund and then by feeder fund. Please ensure that all accounts which may hold any of the Fund's assets, whether in the Fund's name or in the name of a service provider are disclosed if not already mentioned.

17.1	Name of party with whom the account is held.	JP Morgan Chase, NA
17.2	Name of account and beneficial owner.	ROW Diversified Fund, LP
17.3	Describe the purpose of the account and typical balances held on the account.	The account holds cash balances to support margin demands when necessary, and to process subscriptions/redemptions.
17.4	List all individuals authorised to operate the account and their employer(s).	Ryan O'Grady, CEO, ROW Asset Management
17.5	What are the limitations on how the funds can be used or transferred?	The funds are used to support margin demands, and to pay administrative costs for operation of the Fund.

18 ATTACHMENTS

Please use the bookmarks to view the attachment number and description for the documents found on the pages that follow.

Please state the name and title of the officer at your organisation who has prepared and reviewed this questionnaire.

Signature:	
Name:	Ryan O'Grady
Position:	*CEO, ROW Asset Management*
Date:	*7/1/2014*

Organizational Structure

ROW Asset Management's operational structure combines internal functions and oversight with best-in-class third party relationships. ROWAM made extensive investment in custom computational technology, security, and disaster recovery.

ROW Asset Management

Functions:

Research: Ryan O'Grady, Saurabh Kumar, Seng Ung

Execution Strategy and Trading: Jeff Weiser, Ryan O'Grady

Risk Management: Jeff Weiser, Ryan O'Grady

IT Support: Seng Ung

Investor Relations: Timothy O'Grady

Business Development: Timothy O'Grady

Chief Compliance Officer: Ryan O'Grady

Functions:

Technology/Programming/Operations: Debra Oaks

Middle/Back Office: Debra Oaks

Co-Location/DR (oversight): Debra Oaks

Operations/Compliance: Laurie Pisano

Active Third-Party Relationships

Fund Auditor *Rothstein, Kass & Company*	**Administration and Reporting** *FundAdministration, LLC*	**IT Support** *InHouse IT*	**Marketing** North Creek Butler
Compliance *Cordium (formerly HedgeOp)*	**Legal** *Cole-Frieman Mallon & Hunt, L.L.P.*	**Prime Broker** *UBS*	**Futures Commission Merchant** *Jefferies*

Biographies

Ryan O'Grady

ROW Asset Management

Chief Executive Officer, July 2010-Present

FX Concepts

Head of Investment Research, 1999-June 2009

Member of the Management Committee, 2007-June 2009

Manager of New Model Research, 1997-1999

Standard Chartered Bank

Proprietary Trader, 1996

FX Concepts

Manager of New Model Research, 1995-1996

Portfolio Manager, 1994-1995

Assistant Trader, 1992-1993

Education

The Johns Hopkins University, B.A. in Economics

New York University, Stern School of Business, M.S. in Statistics and Operations Research

University of California, Irvine, Coursework towards a PhD in Economics

Ryan is a founding and active member of the Industry Advisory Board for the UCLA Anderson School of Management – Masters of Financial Engineering.

Jeffrey Weiser

ROW Asset Management

President, July 2010-Present

FX Concepts

Portfolio Manager, Global Currency Program (GCP), 2001 – February 2009

Vice President, Research Advisory Group, 1998-2006

Research Analyst, 1995-1998

Pegasus Econometrics Group, Thompson Financial

Analyst, 1993-1995

Education

Case Western Reserve University, B.A. in Economics and English

Debra Oaks

ROW Asset Management

Chief Technology Officer, July 2010-Present

FX Concepts

Managing Director, 2004-2007

Vice President Information Technology, 1993-2004

Technology and Model Development, 1991-1993

Trading Assistant, 1989-1991; Research Assistant, 1986-1989

Education

Fordham University, Computer Science

Biographies

Timothy O'Grady

ROW Asset Management
Managing Director,
Head of Marketing/Client Service, 2012-Present

FX Concepts
Managing Director–Fixed Income , 2009-2011

Western Asset Management
Corporate Strategy , Product Development, 1999-2009

Evaluation Associates
Partner, Head of Fixed Income & Currency Research 1989-1999

Education
Southern Connecticut State College, B.A. Economics
University Of Rhode Island, M.A. Economics
University of New Haven, EXMBA Executive Management

Laurie Pisano

ROW Asset Management
Operations/Compliance, 2013-Present

FX Concepts
Vice President, Director of Investment Admin, 1999- 2012
Research Assistant, 1998- 1999
Manager Consulting Operations 1994-1997
Assistant Consulting Operations 1993-1994

Education
SUNY Cortland-BS
Fordham University MBA

Saurabh Kumar

ROW Asset Management
Director , Investment Research, 2013-Present

FX Concepts
Vice President, Investment Research, 2004-2013

Indus Valley Partners
Senior Business Analyst, 2003-2004

iNautix Technologies Ltd
Program Manager, 2001-2003

Education
IIM Bangalore University, MBA
Lucknow University, BA Technology

Seng Ung

ROW Asset Management
Research Associate, 2011-Present
Research Analyst, 2010-2011

UCLA Autonomous Intelligent Networked Systems
Research Assistant, 2008-2010

Education
UCLA, B.S. in Electrical Engineering and B.A in Economics
UCLA Anderson, Master in Financial Engineering

INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of ROW Diversified Fund, LP is to seek consistent long-term appreciation through active leveraged investing in global forward, futures, and options markets.

Investment Philosophy

The Partnership will utilize a quantitative approach to forecasting, portfolio construction, and risk management.

Investment Approach

The Partnership will invest in a portfolio of futures, forward contracts and options in:

> Developed and emerging market currencies, sovereign interest rates, energy, agriculture/softs, and equity indices.

Financial instruments may be added to, or deleted from, this list at any time, and the Partnership may not have positions in some of these instruments at any given time.

Financial and commodity markets are driven by a number of factors, including, but not limited to, the following: (i) interest rates, both absolute and relative differentials between countries; (ii) cost of carry (physical commodities); (iii) long-term cyclical economic factors; (iv) short-term event-driven factors; (v) inflation rates, both absolute and relative differentials between countries; and (vi) short-term volatility, commonly referred to as "noise."

<u>Carry – Currency Markets</u>

A currency forward is an agreement to exchange currencies at a specified price, at a specified future date. The forward price contains a discount or premium relative to the spot price, which is driven mainly by the interest rate differential between the two countries. Therefore, "selling" U.S. dollars versus Australian dollars is essentially equivalent to borrowing U.S. dollars and lending Australian dollars. Currency trades done specifically to capture yield differentials between countries are known as carry trades. As with any forward currency position, there is exposure to volatility in the spot market as well as volatility in interest rate differentials. The Partnership intends to limit the duration of its trades to less than twelve months in attempt to limit its interest rate risk. The Partnership will focus on the risk/reward relationship between interest rate exposure and the resulting spot market exposure. The Partnership will use quantitative models to design trades that aim to exploit this relationship. The Partnership's models will compose "clusters" of currencies that are intended to outperform simple "pair" trades on a risk/reward basis. An example of a currency cluster is long a basket of Mexican Peso and Brazilian Real vs. short a basket of U.S. Dollar and Canadian Dollar. Also critical to the Partnership's investment approach will be a battery of quantitative methods for estimating future spot market volatility.

<u>Carry – Physical Commodities</u>

Future delivery of physical commodities will trade at a discount or premium to the spot price, based on supply/demand factors and storage costs. Carry strategies seek to go long markets in "backwardation," and short markets in "contango." Backwardation means the future price is lower than current spot, and contango means the future price is higher than current spot. The strategy is profitable when future rates converge to spot rates. The Partnership will focus on the risk/reward relationship between convergence yield and the resulting underlying market exposure. The Partnership will use quantitative models to design trades that aim to exploit this relationship. The Partnership's models will compose "clusters" of commodities that are intended to outperform simple "pair" trades on a risk/reward basis. Also critical to the Partnership's investment approach will be a battery of quantitative methods for estimating future market volatility.

Trend – All Markets

Long-term cyclical factors and short-term event-driven factors combine to create the appearance of trends in financial and commodity markets. The decline of the U.S. dollar from 2002 to mid-2008 was a long-term factor (the existence of significant budget and trade deficits), while the sharp rise in the U.S. dollar in the second half of 2008 was a short-term event-driven factor (the occurrence of a sharp liquidity crunch). When these factors are present, they create persistent behavior in the markets they affect, behavior that can be exploited by quantitative trend-following models. The critical elements to understand are how trends start, how they end, and how to find the "signal" in the presence of other "noise" factors.

The trend-following component of the Partnership's investment approach will be derived from signal processing methods, which are most commonly used in electrical engineering. The key trade-off in digital filter design is the balance between edge correction and delay. In layperson's terms, the surer you need to be that a trend has started, the later you will enter the trade. Since the Partnership will aim to exploit factors in two different time frames, the short- and long-term, the Partnership will need to employ distinct sets of filters. The Partnership's short-term models are intended to react quickly to the *beginning* and *ending* of a short-term trend, because the General Partner does not consider trend to be a steady-state component of currency price action. Long- and short-term persistent factors wax and wane in importance, and the Partnership's models are intended to work in this dynamic environment.

To capture long-term trends, timing is not as critical. The Partnership will therefore attempt to eliminate noise at the expense of missing the beginning of a new long-term trend. Since the Partnership's approach will be purely quantitative, the Partnership will risk "finding" a long-term trend that is not really there. The attention to noise-reduction of the Partnership's long-term filters is intended to assist in minimizing the occurrence of this error.

Note the difference in emphasis of the two classes of filters—in the short term, the Partnership will be most concerned with false negatives, while in the long term, the Partnership will be most concerned with false positives. One factor that leads to short-term trends is "flight to quality," which may harm the Partnership's carry positions. It is therefore important that the short-term trend model is biased toward action.

It should be noted that trend, at times, will be the dominant strategy in the portfolio. It is therefore possible that our aggregate position can have a negative carry.

Inflation – Currency Markets

Inflation rate differentials between countries drive foreign exchange rates in an intuitive way. If Country A has 10% annual inflation while country B has no inflation, one would expect their exchange rate to move 10% per year to adjust for the changing rate of purchasing power in the two countries.

RPP modeling will act as a balancing force to the Partnership's carry and trend models. Note that both carry and trend are self-reinforcing factors, while RPP is a mean-reverting factor. When carry, trend, or a combination of the two forces pushes exchange rates far away from their equilibrium level, the RPP model may have a bigger influence in the Partnership's overall portfolio, thereby lessening the Partnership's risk if a reversal in trend or carry does occur.

Mean Reversion/Options Overlay – All Markets

Mean Reversion strategies attempt to profit from short-term volatility. It is the inverse of the trend strategy – rather than eliminate noise to trade the signal, we are attempting to eliminate signal and trade the noise. We exploit noise explicitly by taking short term positions (1-4 days) against recent price action, or implicitly by selling short-dated options that will be profitable if prices stay in a range (i.e. price action dominated by noise).

Portfolio Construction

The simplest way to construct a portfolio is to take all potential trades and allocate an equal share of capital to each. The problem with this "maximum entropy" approach is that it ignores available information, including that: (i) some trades have stronger forecasts than others; (ii) some trades are riskier than others; and (iii) trades are related to each other in ways that can augment or degrade overall diversification.

None of this information is known, but it can be estimated. The question is, how much of this estimated information should be used, and with how much emphasis? Proponents of global optimization, an approach the Partnership does not intend to employ, would answer "all of it" and "a lot." In the General Partner's view, an issue with global optimization is that it takes inputs as facts rather than as estimates that may or may not be correct. As a result, the optimizer has an inherent bias to choose trades that have been estimated incorrectly. Consider a trade with a true expected return of 5% annualized that has been estimated at 10% annualized. A global optimizer will push weight to this trade. Consider a trade with risk of 12% annualized that is estimated at 6%. Again, a global optimizer will push weight to this trade. Since global optimizers are looking to construct the best possible expected return portfolio, a few errors of this sort can result in a portfolio highly concentrated in the trades with the most incorrect estimates.

Much research has been done in recent years to combat the overconcentration and error-bias problems of global optimization, and it is generally recognized that optimizers constrained in this way do outperform their unconstrained counterparts. The General Partner believes, however, that this line of research has not and will not sufficiently refine global optimization to make it the most effective portfolio construction strategy. In addition, the layering of smoothing algorithms on top of a complex system makes it hard to know how the process will function if an extreme event occurs.

The Partnership's approach to portfolio construction will be to "build locally, evaluate globally." As discussed earlier, the Partnership intends to make localized forecasts on small clusters of assets.

Trade size will be adjusted by the forecast strength and estimated volatility of each cluster. The clusters themselves will be built with estimates of correlation between the component assets. Beyond that, the Partnership intends to employ the maximum entropy approach of simply combining all of the candidate trades to form the Partnership's portfolio. The Partnership's intended approach offers the complexity of an optimized solution with a substantially reduced exposure to estimation error.

Risk Management

Risk management is evaluated globally. The first consideration is the desired output of the Partnership's portfolio construction process. The Partnership will work from the bottom up, starting at the individual asset exposure level. For each asset, the Partnership will have strict concentration limits that will vary according to the General Partner's qualitative view of liquidity. The Partnership will use a quantitative algorithm to redistribute risk away from trades that put the Partnership over concentration limits and toward trades that have room under the limit. The Partnership intends to redistribute risk as evenly as possible in order to maintain a balanced portfolio. The Partnership will also have a limit on total leverage and will be constrained by margin requirements. The Partnership will have a specific risk target that will be managed by a series of quantitative volatility models that will operate at the portfolio level.

The Partnership's risk models will use weighted past observations to create a forecast of future portfolio volatility. The weights will be balanced differently in the different models, as they will be tailored to be optimal in different volatility regimes. For example, in September and October 2008, the optimal risk model was one that considered only recent data in its estimate. Rather than try to guess what regime the Partnership will be in, the Partnership will calculate risk using all of its volatility models and then use the highest (worst-case scenario) in the Partnership's risk targeting.

ROWAM's proprietary systems generate trade signals.

Trades are verified by members of the investment committee and approved for execution.

Futures/Options

Trades are uploaded by trader onto electronic trade execution platform.

Trades flow from electronic platform directly to ROWAM's FCM.

At the conclusion of trading trader provides a statement of execution to ROWAM's middle office.

Total position is reconciled between FCM and ROWAM's model same day and breaks are reported in that time-frame.

ROWAM personnel reconcile end-of-day FCM statement against trader statement to double-check pricing and position. Any new breaks are reported immediately.

Trades are downloaded from FCM site by ROWAMs administrators and month-end statements are reconciled prior to the calculation of NAV.

Currencies:

Trader books trades into a "trade blotter" created at the time of the model run, which properly allocates.

Trades are sent to the middle office.

ROWAM personnel electronically match trades submitted by trader against executing bank on the PB web site. PB "pips" trades for fees and stores all trades in inventory.

Trade breaks are resolved same day.

Total position is reconciled between PB and ROWAM's model same day.

Trades are downloaded from FCM site by ROWAMs administrators and month-end statements are reconciled prior to the calculation of NAV.

Organizational Structure

ROW Asset Management's operational structure combines internal functions and oversight with third party relationships. ROWAM has made an extensive investment in custom computational technology, security, and disaster recovery.

ROW Asset Management

Newport Beach, California (Headquarters)	New York City (Branch Office)
Functions: **Research**: Ryan O'Grady, Saurabh Kumar, Seng Ung **Execution Strategy and Trading:** Jeff Weiser, Ryan O'Grady **Risk Management:** Jeff Weiser, Ryan O'Grady **IT Support:** Seng Ung **Investor Relations:** Timothy O'Grady **Business Development:** Timothy O'Grady **Chief Compliance Officer:** Ryan O'Grady	**Functions:** **Technology/Programming/Operations**: Debra Oaks **Middle/Back Office**: Debra Oaks **Co-Location/DR (oversight)**: Debra Oaks **Operations/Compliance**: Laurie Pisano

Active Third-Party Relationships

Fund Auditor *Rothstein, Kass & Company*	**Administration and Reporting** *FundAdministration, LLC*	**IT Support** *InHouse IT*	**Disaster Recovery** *Xand*
Compliance *Cordium (formerly HedgeOp)*	**Legal** *Cole-Frieman Mallon & Hunt, L.L.P.*	**Prime Broker** *UBS*	**Futures Commission Merchant** *Jefferies*

Biographies

Ryan O'Grady

ROW Asset Management

Chief Executive Officer, July 2010-Present

FX Concepts

Head of Investment Research, 1999-June 2009

Member of the Management Committee, 2007-June 2009

Manager of New Model Research, 1997-1999

Standard Chartered Bank

Proprietary Trader, 1996

FX Concepts

Manager of New Model Research, 1995-1996

Portfolio Manager, 1994-1995

Assistant Trader, 1992-1993

Education

The Johns Hopkins University, B.A. in Economics

New York University, Stern School of Business, M.S. in Statistics and Operations Research

University of California, Irvine, Coursework towards a PhD in Economics

Ryan is a founding and active member of the Industry Advisory Board for the UCLA Anderson School of Management – Masters of Financial Engineering.

Jeffrey Weiser

ROW Asset Management

President, July 2010-Present

FX Concepts

Portfolio Manager, Global Currency Program (GCP), 2001 – February 2009

Vice President, Research Advisory Group, 1998-2006

Research Analyst, 1995-1998

Pegasus Econometrics Group, Thompson Financial

Analyst, 1993-1995

Education

Case Western Reserve University, B.A. in Economics and English

Debra Oaks

ROW Asset Management

Chief Technology Officer, July 2010-Present

FX Concepts

Managing Director, 2004-2007

Vice President Information Technology, 1993-2004

Technology and Model Development, 1991-1993

Trading Assistant, 1989-1991; Research Assistant, 1986-1989

Education

Fordham University, Computer Science

Biographies

Timothy O'Grady

ROW Asset Management
Managing Director,
Head of Marketing/Client Service, 2012-Present

FX Concepts
Managing Director–Fixed Income , 2009-2011

Western Asset Management
Corporate Strategy , Product Development, 1999-2009

Evaluation Associates
Partner, Head of Fixed Income & Currency Research 1989-1999

Education
Southern Connecticut State College, B.A. Economics
University Of Rhode Island, M.A. Economics
University of New Haven, EXMBA Executive Management

Laurie Pisano

ROW Asset Management
Operations/Compliance, 2013-Present

FX Concepts
Vice President, Director of Investment Admin, 1999- 2012
Research Assistant, 1998- 1999
Manager Consulting Operations 1994-1997
Assistant Consulting Operations 1993-1994

Education
SUNY Cortland-BS
Fordham University MBA

Saurabh Kumar

ROW Asset Management
Director , Investment Research, 2013-Present

FX Concepts
Vice President, Investment Research, 2004-2013

Indus Valley Partners
Senior Business Analyst, 2003-2004

iNautix Technologies Ltd
Program Manager, 2001-2003

Education
IIM Bangalore University, MBA
Lucknow University, BA Technology

Seng Ung

ROW Asset Management
Research Associate, 2011-Present
Research Analyst, 2010-2011

UCLA Autonomous Intelligent Networked Systems
Research Assistant, 2008-2010

Education
UCLA, B.S. in Electrical Engineering and B.A in Economics
UCLA Anderson, Master in Financial Engineering

INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of ROW Diversified Fund, LP is to seek consistent long-term appreciation through active leveraged investing in global forward, futures, and options markets.

Investment Philosophy

The Partnership will utilize a quantitative approach to forecasting, portfolio construction, and risk management.

Investment Approach

The Partnership will invest in a portfolio of futures, forward contracts and options in:

> Developed and emerging market currencies, sovereign interest rates, energy, agriculture/softs, and equity indices.

Financial instruments may be added to, or deleted from, this list at any time, and the Partnership may not have positions in some of these instruments at any given time.

Financial and commodity markets are driven by a number of factors, including, but not limited to, the following: (i) interest rates, both absolute and relative differentials between countries; (ii) cost of carry (physical commodities); (iii) long-term cyclical economic factors; (iv) short-term event-driven factors; (v) inflation rates, both absolute and relative differentials between countries; and (vi) short-term volatility, commonly referred to as "noise."

<u>Carry – Currency Markets</u>

A currency forward is an agreement to exchange currencies at a specified price, at a specified future date. The forward price contains a discount or premium relative to the spot price, which is driven mainly by the interest rate differential between the two countries. Therefore, "selling" U.S. dollars versus Australian dollars is essentially equivalent to borrowing U.S. dollars and lending Australian dollars. Currency trades done specifically to capture yield differentials between countries are known as carry trades. As with any forward currency position, there is exposure to volatility in the spot market as well as volatility in interest rate differentials. The Partnership intends to limit the duration of its trades to less than twelve months in attempt to limit its interest rate risk. The Partnership will focus on the risk/reward relationship between interest rate exposure and the resulting spot market exposure. The Partnership will use quantitative models to design trades that aim to exploit this relationship. The Partnership's models will compose "clusters" of currencies that are intended to outperform simple "pair" trades on a risk/reward basis. An example of a currency cluster is long a basket of Mexican Peso and Brazilian Real vs. short a basket of U.S. Dollar and Canadian Dollar. Also critical to the Partnership's investment approach will be a battery of quantitative methods for estimating future spot market volatility.

<u>Carry – Physical Commodities</u>

Future delivery of physical commodities will trade at a discount or premium to the spot price, based on supply/demand factors and storage costs. Carry strategies seek to go long markets in "backwardation," and short markets in "contango." Backwardation means the future price is lower than current spot, and contango means the future price is higher than current spot. The strategy is profitable when future rates converge to spot rates. The Partnership will focus on the risk/reward relationship between convergence yield and the resulting underlying market exposure. The Partnership will use quantitative models to design trades that aim to exploit this relationship. The Partnership's models will compose "clusters" of commodities that are intended to outperform simple "pair" trades on a risk/reward basis. Also critical to the Partnership's investment approach will be a battery of quantitative methods for estimating future market volatility.

Trend – All Markets

Long-term cyclical factors and short-term event-driven factors combine to create the appearance of trends in financial and commodity markets. The decline of the U.S. dollar from 2002 to mid-2008 was a long-term factor (the existence of significant budget and trade deficits), while the sharp rise in the U.S. dollar in the second half of 2008 was a short-term event-driven factor (the occurrence of a sharp liquidity crunch). When these factors are present, they create persistent behavior in the markets they affect, behavior that can be exploited by quantitative trend-following models. The critical elements to understand are how trends start, how they end, and how to find the "signal" in the presence of other "noise" factors.

The trend-following component of the Partnership's investment approach will be derived from signal processing methods, which are most commonly used in electrical engineering. The key trade-off in digital filter design is the balance between edge correction and delay. In layperson's terms, the surer you need to be that a trend has started, the later you will enter the trade. Since the Partnership will aim to exploit factors in two different time frames, the short- and long-term, the Partnership will need to employ distinct sets of filters. The Partnership's short-term models are intended to react quickly to the *beginning* and *ending* of a short-term trend, because the General Partner does not consider trend to be a steady-state component of currency price action. Long- and short-term persistent factors wax and wane in importance, and the Partnership's models are intended to work in this dynamic environment.

To capture long-term trends, timing is not as critical. The Partnership will therefore attempt to eliminate noise at the expense of missing the beginning of a new long-term trend. Since the Partnership's approach will be purely quantitative, the Partnership will risk "finding" a long-term trend that is not really there. The attention to noise-reduction of the Partnership's long-term filters is intended to assist in minimizing the occurrence of this error.

Note the difference in emphasis of the two classes of filters—in the short term, the Partnership will be most concerned with false negatives, while in the long term, the Partnership will be most concerned with false positives. One factor that leads to short-term trends is "flight to quality," which may harm the Partnership's carry positions. It is therefore important that the short-term trend model is biased toward action.

It should be noted that trend, at times, will be the dominant strategy in the portfolio. It is therefore possible that our aggregate position can have a negative carry.

Inflation – Currency Markets

Inflation rate differentials between countries drive foreign exchange rates in an intuitive way. If Country A has 10% annual inflation while country B has no inflation, one would expect their exchange rate to move 10% per year to adjust for the changing rate of purchasing power in the two countries.

RPP modeling will act as a balancing force to the Partnership's carry and trend models. Note that both carry and trend are self-reinforcing factors, while RPP is a mean-reverting factor. When carry, trend, or a combination of the two forces pushes exchange rates far away from their equilibrium level, the RPP model may have a bigger influence in the Partnership's overall portfolio, thereby lessening the Partnership's risk if a reversal in trend or carry does occur.

Mean Reversion/Options Overlay – All Markets

Mean Reversion strategies attempt to profit from short-term volatility. It is the inverse of the trend strategy – rather than eliminate noise to trade the signal, we are attempting to eliminate signal and trade the noise. We exploit noise explicitly by taking short term positions (1-4 days) against recent price action, or implicitly by selling short-dated options that will be profitable if prices stay in a range (i.e. price action dominated by noise).

Portfolio Construction

The simplest way to construct a portfolio is to take all potential trades and allocate an equal share of capital to each. The problem with this "maximum entropy" approach is that it ignores available information, including that: (i) some trades have stronger forecasts than others; (ii) some trades are riskier than others; and (iii) trades are related to each other in ways that can augment or degrade overall diversification.

None of this information is known, but it can be estimated. The question is, how much of this estimated information should be used, and with how much emphasis? Proponents of global optimization, an approach the Partnership does not intend to employ, would answer "all of it" and "a lot." In the General Partner's view, an issue with global optimization is that it takes inputs as facts rather than as estimates that may or may not be correct. As a result, the optimizer has an inherent bias to choose trades that have been estimated incorrectly. Consider a trade with a true expected return of 5% annualized that has been estimated at 10% annualized. A global optimizer will push weight to this trade. Consider a trade with risk of 12% annualized that is estimated at 6%. Again, a global optimizer will push weight to this trade. Since global optimizers are looking to construct the best possible expected return portfolio, a few errors of this sort can result in a portfolio highly concentrated in the trades with the most incorrect estimates.

Much research has been done in recent years to combat the overconcentration and error-bias problems of global optimization, and it is generally recognized that optimizers constrained in this way do outperform their unconstrained counterparts. The General Partner believes, however, that this line of research has not and will not sufficiently refine global optimization to make it the most effective portfolio construction strategy. In addition, the layering of smoothing algorithms on top of a complex system makes it hard to know how the process will function if an extreme event occurs.

The Partnership's approach to portfolio construction will be to "build locally, evaluate globally." As discussed earlier, the Partnership intends to make localized forecasts on small clusters of assets.

Trade size will be adjusted by the forecast strength and estimated volatility of each cluster. The clusters themselves will be built with estimates of correlation between the component assets. Beyond that, the Partnership intends to employ the maximum entropy approach of simply combining all of the candidate trades to form the Partnership's portfolio. The Partnership's intended approach offers the complexity of an optimized solution with a substantially reduced exposure to estimation error.

Risk Management

Risk management is evaluated globally. The first consideration is the desired output of the Partnership's portfolio construction process. The Partnership will work from the bottom up, starting at the individual asset exposure level. For each asset, the Partnership will have strict concentration limits that will vary according to the General Partner's qualitative view of liquidity. The Partnership will use a quantitative algorithm to redistribute risk away from trades that put the Partnership over concentration limits and toward trades that have room under the limit. The Partnership intends to redistribute risk as evenly as possible in order to maintain a balanced portfolio. The Partnership will also have a limit on total leverage and will be constrained by margin requirements. The Partnership will have a specific risk target that will be managed by a series of quantitative volatility models that will operate at the portfolio level.

The Partnership's risk models will use weighted past observations to create a forecast of future portfolio volatility. The weights will be balanced differently in the different models, as they will be tailored to be optimal in different volatility regimes. For example, in September and October 2008, the optimal risk model was one that considered only recent data in its estimate. Rather than try to guess what regime the Partnership will be in, the Partnership will calculate risk using all of its volatility models and then use the highest (worst-case scenario) in the Partnership's risk targeting.

ROWAM's proprietary systems generate trade signals.

Trades are verified by members of the investment committee and approved for execution.

Futures/Options

Trades are uploaded by trader onto electronic trade execution platform.

Trades flow from electronic platform directly to ROWAM's FCM.

At the conclusion of trading trader provides a statement of execution to ROWAM's middle office.

Total position is reconciled between FCM and ROWAM's model same day and breaks are reported in that time-frame.

ROWAM personnel reconcile end-of-day FCM statement against trader statement to double-check pricing and position. Any new breaks are reported immediately.

Trades are downloaded from FCM site by ROWAMs administrators and month-end statements are reconciled prior to the calculation of NAV.

Currencies:

Trader books trades into a "trade blotter" created at the time of the model run, which properly allocates.

Trades are sent to the middle office.

ROWAM personnel electronically match trades submitted by trader against executing bank on the PB web site. PB "pips" trades for fees and stores all trades in inventory.

Trade breaks are resolved same day.

Total position is reconciled between PB and ROWAM's model same day.

Trades are downloaded from FCM site by ROWAMs administrators and month-end statements are reconciled prior to the calculation of NAV.