Manager: ROW Asset Management\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_10/20/2014\_\_\_\_\_\_\_\_\_\_\_\_

Completed by: \_\_\_Ryan O’Grady\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**General:**

1. **Discuss any Changes in Strategy/Product Offerings: None**
2. **Discuss any Changes in Key Personnel Over the Last 5 Years: In January 2012, Sladja Carton (EMD, Head of Marketing) left the firm to pursue other interests. In March of 2012, Tim O’Grady joined the firm as Head of Marketing / Client Service.**
3. **Related Entities/Nature of Transactions with Related Entities:**

* **Registrations of related entities? na**
* **Affiliated broker transactions? na**
* **Cross trades? na**

1. **Top 5 Largest Accounts (type and NAV): Family Office, $45 million. Family Office, $40 million. Institutional FoF $35 million. Institutional FoF $20 million. Emerging Manager Fof $5 million.**
2. **Investor Base (HNW/Institutional/FOF/Endowments/etc): See above – our smaller accounts tend to be High Net Worth/Family Office and Emerging Manager Fund-of-Funds, while our larger accounts are Institutional FoF’s (multi-billion).**
3. **Internal Money Invested in Funds (i.e., GP, Employees, etc.)? $12 million total by partners of ROW.**
4. **Fees Paid by Internal Investors? None.**
5. **Discuss any planned changes in ownership/control at the firm? None.**

**Trade Capture:**

1. **What is the Process?**

**For FX: Trader is provided with a trade blotter each day after the model run. Trader records fills and submits trades to ROWAM back-office. Trade upload files are created from the blotter and all trades are electronically matched at the broker level. At the same time, a recap of trades is provided to ROWAMs back-office/administrator, Fund Administration.**

**For Futures: Trades are captured from CQG Integrated Client via API. All bulk trades are allocated automatically using the model signals and submitted electronically to the executing broker for processing. At the same time, a recap of trades is provided to ROWAMs back-office/administrator, Fund Administration.**

1. **Trade Blotters Maintained? Reconciled to Books?**

**Blotters and all futures trades are archived. Books and records are reconciled to brokers T+1 by both ROWAM and Fund Administration.**

1. **Pre-numbered Trade Tickets or Entered Directly into Trade Capture?**

**Trades are entered directly.**

1. **Trade Confirmations: N/A**

# Physical Clearing:

1. **Bank Loans, Participations, Private Equity, Other? N/A**
2. **Custody of Legal Documents/Stock Certificates: N/A**
3. **Settlement Issues: N/A**
4. **Document Retention Policies over Original Documents: N/A**

**Trade Allocations:**

1. **How Many Funds/Managed Accounts? 2 Funds, 10 managed accounts firm-wide.**
2. **Pari Passu or Manager Discretion? While we have some accounts that trade with bespoke mandates, when a trade is done in a particular asset, allocations are done according to a predetermined algorithm.**
3. **Does your Order Management System Automatically Calculate? No.**
4. **How are Deviations from Standard Allocation Procedures Documented? N/A.**
5. **Average Price Allocated on Pro Rata Basis?** **Split-fills on futures are allocated low-high first account on-board to last account.**
6. **Rebalancing Performed? Yes**
7. **Historical Deviation of Returns in Various Accounts: Low, typically attributable to integer contract holdings and/or AUM changes mid-month.**
8. **Have any Regulatory Authorities ever Commented on your Allocation Procedures? If Yes, Describe. No**

**Derivatives:**

**Swaps/Currency Forwards:**

1. **What Type? Currency Forwards and NDFs.**
2. **Counterparties (ISDAs): ISDAs with UBS and Jefferies**
3. **Confirmation Process: Trades are electronically matched with prime brokers.**
4. **Payment Process: N/A**
5. **Collateral Monitoring: Managed account clients monitor their own collateral. Fund collateral is monitored by the Risk Committee.**
6. **Pricing:** **UBS ‘Americas’ rate for each month-end.**
7. **Settlement issues: P&L is in USD.**

**Foreign Exchange:**

1. **Foreign Exchanges on which you Trade: ICE Europe, EUREX, LIFFE, SFE**
2. **Types of Instruments used: Futures**
3. **Purpose: SFE=A$10yr Note, A$3yr Note, ASX SPI 200; ICE Europe = Gasoil; EUREX = EuroStoxx 50, Bund, Bobl; LIFFE = Gilt, FTSE 100.**
4. **Counterparties:**
5. **Pricing:**
6. **Settlement issues:**

**Business:**

# Key Reconciliations (describe who performs and frequency):

1. **Cash: Fund Administration, monthly.**
2. **Positions: Fund Administration and ROWAM back-office, daily.**
3. **Realized and Unrealized: Fund Administration**
4. **Dividend and Interes**t: **The administrator, if any.**
5. **Corporate Actions: NA**
6. **PB/Trader/Administrator: ROWAM back-office reconciles net positions between the PB and Administrator on a daily basis. Individual trades are reconciled on T+1. The administrator reconciles as well.**

**Prime Brokers:**

1. **List of Prime Brokers: UBS**
2. **Reason for Multiple PB Relationships: Not necessary at this time.**
3. **Information Aggregation: ?**
4. **Do you use PB for Risk Reporting? Describe. No.**

**Accounting:**

1. **Changes in Accounting Practices: None.**
2. **Changes in Auditors: Rothstein Kass, now KPMG, has been the auditor since inception.**
3. **Disagreement with Auditors: None.**
4. **Management Control Recommendation Letters issued? None.**
5. **Timing of K-1’s/PFICs and Audited Financials: Both K-1’s and the fund’s audited financials are usually finalized by the end of March.**

# Administration:

1. **Does Independent Administrator Keep Books and Records for the Funds?**

* **Yes/ No Yes**
* **If yes, who is independent administrator? Fund Administration**

1. **Independent Pricing?**

* **Yes/ No Yes.**
* **How often? Daily/ Weekly/ Monthly The administrator prices the portfolio on a daily basis.**
* **Is there an automatic pricing feed from the independent source? Yes/ No Yes**
* **What pricing sources are used? UBS for FX and Bloomberg for futures instruments.**

1. **NAV Calculations Independent of PM?**

* **Yes/ No Yes.**
* **If yes, does the PM prepare an independent NAV to mirror the administrator? Yes/ No Yes. ROWAM’s back office does this.**

1. **Does Administrator Report the NAVs to Investors Directly?**

* **Yes/ No Yes.**
* **If yes, does the PM/CFO review the NAV and sign-off prior to release? Yes/ No Yes. ROWAM’s back office reconciles prior.**
* **Is there a formal sign-off procedure in place for the monthly NAV? Yes/ No**

**Yes. The administrator will not release the NAV until ROWAM approves.**

1. **All Accounting Data Maintained in House?**

* **Yes/ No Yes, and the administrator also retains all records.**
* **If yes, are there proper procedures in place to ensure proper document retention? Yes/ No Yes.**
* **If no, is all documentation retained at the administrator? Yes/ No Yes.**

**Compensation Structures:**

1. **Are Deferred Bonuses Invested in Funds? We do not have deferred compensation.**
2. **Are a Percentage of Incentive Fees Paid to Employees as Part of the Bonus? No.**
3. **Formulaic vs Discretionary:**

* **How is the bonus calculated? Formulaic/ Discretionary: Bonuses are calculated according to overall profitability of the firm.**
* **What are the parameters used to calculate the bonus? Fund performance/ personal performance/ both? Fund performance, combined with a discretionary evaluation of personal performance.**

1. **Who is Responsible for Determining Bonuses? Jeffrey Weiser and Ryan O’Grady.**

**Cash Management:**

1. **Approval on Cash Disbursements:**

* **Who is responsible for approval of all cash disbursements? We require double approval on cash disbursements. Either Jeffrey Weiser or Ryan O’Grady will set up the cash disbursement, and the other will approve. When it comes to cash disbursement of fund assets, FundAdministration will set up the wire at the request of Ryan O’Grady or Jeffrey Weiser, and then double authentication is required to release funds.**
* **If expenses are paid via the administrator, who is responsible for signing on behalf of the administrator? They are not.**

1. **Are Dual Signatures Required? If yes, Over What Dollar Amount? At the managed company level, any wire requires both partners’ authorization. At the Fund level, the Administrator must set up the wire, with approval by one of the partners.**
2. **Cash Reconciliation Process:**

* **How often does the cash reconciliation process take place? Daily/ Weekly/ Monthly: Both ROWAM and Fund Administration reconcile the cash at the brokers and bank accounts on a monthly basis, unless otherwise necessary. For ROW, cash reconciliation also includes verifying margin requirements and reviewing excess cash levels.**
* **Who is responsible for performing the cash reconciliation? The Risk Management Committee – Ryan O’Grady, Jeffrey Weiser, Debra Oaks, and Laurie Pisano.**
* **Who is responsible for reviewing the cash reconciliation? The Risk Management Committee (listed above).**

1. **Inventory of all Cash Accounts (i.e., prime broker, administrator’s bank, other):**

* **Where does the fund maintain cash accounts?**
  + **Prime broker Yes.**
  + **Administrator – Are these accounts used specifically for subscriptions and redemptions? Yes/ No --- No.**
  + **Other cash accounts? Yes/ No - If yes, where are they located? We maintain cash accounts for our Funds at JP Morgan Chase. Note that cash is only required for margin deposits – we review margin requirements monthly at a minimum to verify we have enough balances at the PB/FCMs.**

1. **Cash Reserves:**

* **Does the fund maintain cash reserves? Yes/ No Yes.**
* **What are the cash reserves being held for? Once per month, we verify cash balances at the PB/FCM level. If balances are depleted by trading losses, we need to add to balances with cash from the JP Morgan Chase accounts. Excess balances are returned to the JP Morgan accounts.**

**Systems:**

1. **Trade Capture/Order Management:**

* **Is there a trade capture/order management system in place? Yes – we use a batch upload file to transmit futures trades to CQG Integrated Client.**
* **What is the trade capture/order management system? Excel based. We use CQG Integrated Client for futures execution. and this is automatically .**

1. **Real Time P&L:**

* **Is there are real time P&L system in place? Yes.**
* **What is the real time P&L system? We have created our own internal P+L system. Our positions are all liquid and listed on Bloomberg – we use an API to load current prices into a spreadsheet with our positions.**

1. **Portfolio Accounting:**

* **Is there a portfolio accounting system in place? Yes/ No Yes. Excel based.**
* **What is the real time portfolio accounting system? Excel based.**

1. **Risk Management:**

* **Is there a risk management system in place? Yes**
* **What is the risk management system? We have created our own risk management system, that we believe is superior to off-the-shelf offerings.**

1. **General Ledger:**

* **What is the G/L system? N/A**

1. **NAV/Shareholder Reporting**

* **Is there a separate system in place for the NAV/ shareholder reporting? Excel based.**
* **What is the system being used for NAV/ Shareholder reporting? Excel based. The administrator provides reporting directly to investors. ROWAM maintains shadow accounts.**

**Compliance:**

**TRADING:**

1. **Does the firm have an affiliated broker/dealer? No. Does the firm trade with the affiliated broker/dealer? N/A.**
2. **Does the firm trade Rule 144(a) restricted securities or private placements? No.**
3. **Does the firm trade defaulted, zero coupon and variable rate securities? No.**
4. **Does the firm invest in partnerships or trusts? No.**
5. **Does the firm trade Regulation S Securities? No.**
6. **Does the firm invest in any securities that are manually priced using “fair value methodology”? Please detail the process. No.**

**Pricing:**

1. **Pricing Policy: We only trade listed futures and OTC FX. We do have a Valuation Committee evaluating month-end OTC FX prices.**
2. **Is the Pricing Policy Formally Documented? Where? Yes. We have a Valuation Policy; this is included in the compliance manual.**
3. **Is the Pricing Policy Consistently Followed? Yes.**
4. **Price Verification Procedures:**

* **Who performs? The Valuation Committee meets to review month end marks and discuss any issues.**
* **How often? Monthly.**
* **Is formal documentation maintained? Yes.**

1. **What are Sources of Prices for Pricing the Portfolios (by investment type)? Listed Futures have published closes provided by the relevant exchange. We poll OTC FX from Bloomberg and UBS.**
2. **What are the Sources of Prices for Price Verification Procedures? Bloomberg and UBS.**
3. **Illiquids Pricing Policy/Sources: N/A.**
4. **Pricing Feeds Utilized: Bloomberg.**
5. **Reconciliation between Trader, PB and Administration:**

**ROWAM performs a monthly reconciliation of prices, comparing the PB to the Administrator, as well as Bloomberg.**

1. **Auditors Verify Pricing Monthly? Annually.**

**Liquidity:**

* 1. **Largest Size (as a % of portfolio) of Illiquid Securities? N/A.**
  2. **Controlling Interest in Any Investments? No.**
  3. **Largest Positions in these Type of Investments? N/A**
  4. **Holding Period of Illiquid Securities? N/A**

**Disaster Recovery/Back-up Procedures:**

1. **Are There Daily Back-up Procedures Performed? Yes – we have a mirror server in New York.**
2. **Is it a Tape or Server Back-up? Both.**
3. **Is There an Off-site Facility used to Store the Back-ups? Yes – tapes are taken offsite weekly by Iron Mountain.**
4. **If it is a Tape Back-up, how Often are Tapes Sent to an Off-site Storage Facility? Daily/ Weekly/ Monthly/ Infrequent We take them weekly, monthly, and quarterly (separate tapes).**
5. **Is There an Off-site Server (i.e. duplicate server)? Yes**
6. **Is the Off-site Server Located in a Different Power Grid? Yes**
7. **Are Employees Able to Log on to the Server from Outside the Office? Yes**
8. **Do any of the Traders/PM’s have Access to Trade from Home? Yes**
9. **How Often do they Trade from Home? Occasionally.**
10. **Do the PM’s have Bloomberg Traveler in Case they are Outside the Office? Bloomberg Anywhere, yes.**
11. **Does the Fund have any Agreements in Place for Defined Space in Case they are not Able to Access the Office? We have an informal agreement with our administrator to use office space under extreme circumstances.**
12. **If so, Where do they have Space? Upstate NY.**
13. **What System is used for Email Retention? Spamsoap.**
14. **Are all Emails Retained? For how Long? Yes, 7 years.**
15. **How are Key Systems Backed-up? ROW maintains a mirrored server at its colocation facility in Hawthorne, NY.**
16. **Has the Disaster Recovery Plan been Tested? What were the Results?** **Yes.** **Files on the server mentioned above 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.**

**Regulatory:**

1. **Oversight? SEC, CFTC, FINRA, FSA? SEC, CFTC and FINRA.**
2. **Procedures for Compliance with Regulatory Guidelines:**

* **Is there an in-house compliance officer? Yes**
* **If yes, name and tenure with the firm? Laurie Pisano – 1 year (previously, Ryan O’Grady, since firm inception).**
* **Is there a formally documented procedure for compliance with regulatory guidelines? Yes**

1. **Recent Regulatory Exams:**

* **Have there been any recent regulatory exams? No – but we conduct mock exams.**
* **If yes, when was the last review? NA**
* **Who performed the review? Mock exam conducted by Cordium.**
* **If yes, please provide a copy of the findings letter and responses**

1. **Required Licensure Maintained and Monitored?**

* **List current licenses being maintained. All Associated Persons of ROW hold Series 3 licenses. All principals (Jeffrey Weiser and Ryan O’Grady) hold Series 34 licenses.**
* **Who is responsible for monitoring? Chief Compliance Officer.**

1. **Regulatory Reporting Responsibilities:**

* **Does the fund have any regulatory reporting responsibilities? Yes – we report quarterly and annually to the NFA.**
* **If yes, is mainly the compliance officer’s job to ensure responsibilities are met? It is one of the CCO’s responsibilities, yes.**

**Brokerage/Soft Dollar arrangements:**

1. **What Brokers do you Utilize? For the fund, Jefferies. Managed accounts: Newedge, DB, RJO.**
2. **Do you Monitor Commissions by Broker?**

* **Yes**
* **How does the fund monitor commissions? Commission rates are explicitly stated on daily statements.**

1. **What is your Policy for Determining “Best Execution”? We have a quarterly review which includes a ‘report card’ and volume review.**

**4. Do you Utilize Soft Dollar Arrangements? Yes/No – No.**

**5. What is the Soft Dollar Commission Rate vs Standard Rate? NA**

1. **Do you use ECNs? What Commission Rate do you Pay? No.**
2. **Who Monitors Usage of Soft Dollars? NA**
3. **Who Processes Soft Dollar Invoices? NA**

* **Name and level of person responsible for processing soft dollar invoices?**
* **Is the process for payment any different than that of a regular invoice? Yes/ No – If yes, explain**

1. **28(e) Compliant:**

* **Is the fund 28(e) compliant? Yes. We do not have any soft dollar arrangements.**
* **Are soft dollars used for anything such as travel or rent? NA**

1. **Has any Regulatory Authority ever Commented on your Soft Dollar Usage?**

* **Yes/ No - NA**
* **If yes, what was the comment made? - NA**

1. **What do your Fund Documents Disclose as to your Soft Dollar Policy? -NA**

* **Is the fund’s soft dollar policy noted in the fund documents? Yes/ No**
* **What in particular is disclosed?**

**AML:**

* **Are the procedures documented? Yes/ No Yes.**
* **Who monitors? Both ROWAM and the administrator.**
* **Are your sub docs updated to obtain the appropriate data? Yes/ No Yes.**
* **Do you “know” your investors? Yes/ No Yes.**
* **How does the fund ensure that it “knows” the investors? The CCO reviews all subscription documents and will investigate further if necessary.**
* **Does your administrator perform procedures? Yes/ No – If yes, what do they do?**

**All subscription wires received from Investors to the Funds are reviewed to ensure that the details about the Investor correspond to the details provided in the subscription agreement or addendum. And on a periodic basis, the administrator compares the investor register of the Funds against applicable regulatory watch lists.**

**Employee Trading:**

1. **Are Employees Allowed to Trade? Yes/ No Yes, though employees are prohibited from trading currencies and futures in personal accounts.**
2. **Personal Trading Allowed with Orders? Yes/No ?**
3. **Is the Policy Formally Documented? Yes/ No Yes.**
4. **Do you Maintain a Restricted List? Yes/ No Yes, though there are no restricted securities at this time.**

* **How often is the list updated?**
* **Does the list only consist of securities that the fund invests in? Yes/ No NA**

1. **Is Pre-approval Required? Yes/ No Yes.**
   * **Are employees allowed to trade IPOs and Private Placements? Not without pre-clearance.**
2. **Who Pre-approves Trades? Compliance Officer**
3. **Is there a Holding Period for Purchases? Yes/ No No.**

* **If yes, for how long must securities be held? Week/ Month/ Longer**

1. **Do you Obtain Confirmations and Broker Statements?Yes/ No Yes.**
2. **Are these Statements Retained? Yes/ No Yes.**
3. **Do you require:**

* **Initial Holdings Reports? Yes.**
* **Quarterly Transaction Reports? Yes.**
* **Annual Holdings Reports? Yes.**
* **Annual certifications that Code of Ethics has been read and adhered to? Yes.**

1. **Has a Regulatory Authority ever Commented on your Employee Trading Practices? Yes/ No No.**

* **If yes, what were the comments made?**

1. **List of Prohibited Transactions for Both Manager and Employees? Yes/No Yes for employees.**

* **Do the manager and employee have to sign off on understanding of prohibited transactions? Yes/ No Yes, as part of the Code of Ethics attestation.**

**Filings:**

* 1. **Who is Responsible for Blue Sky Filings?**
* **Enter name of person responsible (compliance officer/ law firm) The compliance officer (Laurie Pisano) works with the law firm.**
* **What is the name of the law firm used by the fund?** **Cole-Frieman Mallon & Hunt**
  1. **Who is Responsible for 13(d), (f) and (g) Filings? NA – we do not trade single stock securities.**
* **Key in name of responsible party**
* **Is the fund responsible for filing 13(d), (f) and (g)? Yes/ No No**
  1. **Proxy Voting – NA**
     + **Does the advisor vote all proxies? Yes/ No – If no, please explain why not.**
     + **Who is responsible for voting all proxies? Name and level.**
     + **Do you vote all proxies in the best interests of your investors? Yes/ No – If no, please explain why not.**
     + **Please provide a copy of your proxy voting policy.**

**Custody:**

* + - 1. **Where are Client Assets Custodied? JP Morgan Chase (Funds only – for managed accounts, we do not maintain custody of cash).**
      2. **If you Maintain Custody, Describe Policies and Procedures Regarding Safeguarding Client Assets: FundAdministration prepares wires, and either Jeffrey Weiser or Ryan O’Grady can approve them. An account executive at the administrator will obtain transaction support and wire instructions for review prior to processing. A 2nd account executive or manager performs a secondary review. The administrator reconciles cash movements on a daily basis.**

**Miscellaneous:**

**Limit Monitoring:**

**1. Is there Limit Monitoring in Place? Yes/ No - Yes**

**2. Who Performs? ROWAM’s back office produces a daily report detailing all client limits (position, risk, etc.) and our standing relative to these limits.**

**3. Do your Systems Facilitate Monitoring? Yes, our systems should maintain limits on their own, but we monitor them anyway.**

* **If no, then how are limits monitored?**

**4. What Occurs if Limits are Exceeded? The limits we have on file typically have a cure period of some number of days – we would reduce positions to get under the limit.**

# Employees Ever Indicted, Arrested or Convicted of a Crime? No.

1. **Do you Perform Background Investigations?****Yes**

* **If not, does the fund obtain references for all employees? Yes**

1. **If yes, Please Provide Copies of such Reports. To date, all hires at ROW have been people we know – we would run background checks on a hire where the person does not have a long history with us.**

**Other Offices:**

* 1. **Does the Fund have any other Offices? Yes**
  2. **Location of other Offices: 1180 Avenue of the Americas, 8th Floor, New York, NY 10036**
  3. **Capacity of Personnel Working in other Offices:** 
     + **List the roles and capacity of personnel located in the other offices – Jeffrey Weiser (PM, Chief Risk Officer); Laurie Pisano – Compliance; Debra Oaks – Chief Technology Officer, Operations; Saurabh Kumar – Research**
  4. **Systems Utilized by other Offices:**
* **Does the satellite office utilize the same system as the home office? Yes**
* **What other systems are being used that are not in the home office? We use one centralized server that is mirror replicated to our DR site – there is no distinction between offices in this regard.**
  1. **Control Environment:**
* **Is the control environment the same in the home office as in the satellite? Yes**
* **Have the reporting lines changed due to the multiple locations? No**
  1. **Supervision:**
* **How does the HQ Maintain Supervision of the Satellite Office? We share phone networks and server access, and there is constant communication throughout the day. The heads of each office have worked together for almost 20 years.**

**Client Complaints:**

**1. Have there been any Client Complaints? No.**

**2. Do you Maintain a “Client Complaints” Folder? Yes.**

**3. What is the Nature of the Complaints? None to date.**

**Litigation:**

**1. Has the Fund been Subject to any Litigation? No**

* **If yes, what is the nature of the litigation?**

**Insurance:**

**1. Does the Fund have any of the Following Types of Insurance?**

* **E&O insurance – No**
* **Fidelity Bond – No**
* **ERISA insurance – No**
* **General insurance – Yes**
* **Other – No**
* **If the answer is yes to any of the above, how much insurance did the fund purchase? None.**