Focus on Opportunity

Regulatory Administration and Compliance Support Services

For Hedge Funds and Private Equity Funds

The Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law by President Obama on July 21, 2010, answering marketplace demands for more stringent controls and transparency in the Hedge Fund and Private Equity industries.

Citi Investor Services has several teams of **experienced professionals** that have closely monitored the evolution of these regulatory developments. They have identified best practices to develop a new **culture of compliance.** They have designed **tailored solutions** to meet the business needs of Advisers. They are ready to share their **innovative solutions** that work efficiently with today's cutting-edge technology. They have demonstrated **thought leadership** by creating forums and communication tools to keep clients current on the latest developments. All of these services are now ready for execution.

We invite you to explore our enhanced product line of Regulatory Administration and Compliance Support Services for Advisers to Hedge Funds and Private Equity Funds.

"The alternative investment industry is in the eye of a regulatory storm: battling regulatory reform, contending with investor confidence and responding to requests for transparency. With every challenge comes opportunity. One thing is common to all these issues: Citi's ability to mobilize a range of market-leading solutions to help investment managers overcome challenges and make the most of opportunities."

Bob Wallace

North America Head of Securities and Fund Services, Citi


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Who Is Citi Investor Services?

As a truly diversified global firm, we offer an extensive portfolio of products and services across a wide span of countries and jurisdictions.

Spread across 88 markets around the world, our clients have stringent servicing demands unique to their specific business that vary greatly even within our highly specialized industry. The main focus of our client approach is developing partnerships that meet each client's individual demands and delivers value and measurable results consistent with these demands and with our own standards across the investment value chain.

Our unique competitive advantage is built on the following:

- The industry's largest global footprint with 57 proprietary branches
- The strongest presence across all regions
- The most diversified product line in the industry
- Our presence as the largest custodian of cross-border assets in the world
- Coverage of the widest array of the investment value chain
- The ability to anticipate trends and respond quickly to clients' evolving needs by augmenting core capabilities with new solutions

Regulatory Administration Services

Our Team

Our Regulatory Administration group is composed of attorneys and paralegals who come from the financial services industry, competitors and well-known law firms. The most senior members of our staff have an average of 20 years' experience. A team approach provides clients with multiple contacts for guaranteed responsiveness.

Our Focus

Our focus is to remove the heavy lifting from a client's counsel by taking on routine tasks such as drafting documents. In today's economy, managing expenses is extremely important. Citi's assistance in this area helps the client maximize their resources, both internally and externally.

Our Solutions

Examples of Regulatory Administrative Services that are available to Hedge Fund and Private Equity Fund Adviser Clients are listed below. Clients may choose a customized solution tailored to meet their business needs. Performed at the direction of the clients, below are some of the core services:

- Prepare Form D notice filings
- Draft general partnership agreements as specified by client
- Draft policies and procedures, such as Code of Ethics, valuation and anti-money laundering, as requested
- Prepare closing documents or administration of a closing, as appropriate
- Provide access to all fund documentation along with the ability to collaborate via the Fund Governance Portal

tailored solutions

Fund Governance Portal

What Is the Fund Governance Portal ("FGP")?

FGP is available to those clients that use Citi for Regulatory Administration Services. The Regulatory Administration team stores legal and regulatory documents on FGP, as well as data about each client and fund. Documents are viewable by clients on a password-protected website. The client does not need any special software or hardware to access this portal, only an Internet connection. FGP allows Citi and its clients to work as one team with space for sharing documents that are in progress. FGP also supports our clients' desire to be more "green" and generate less paper. The navigation and intuitive design make it easy to find documents quickly, feeling like a well-organized online file cabinet.

innovative solutions

Client Database

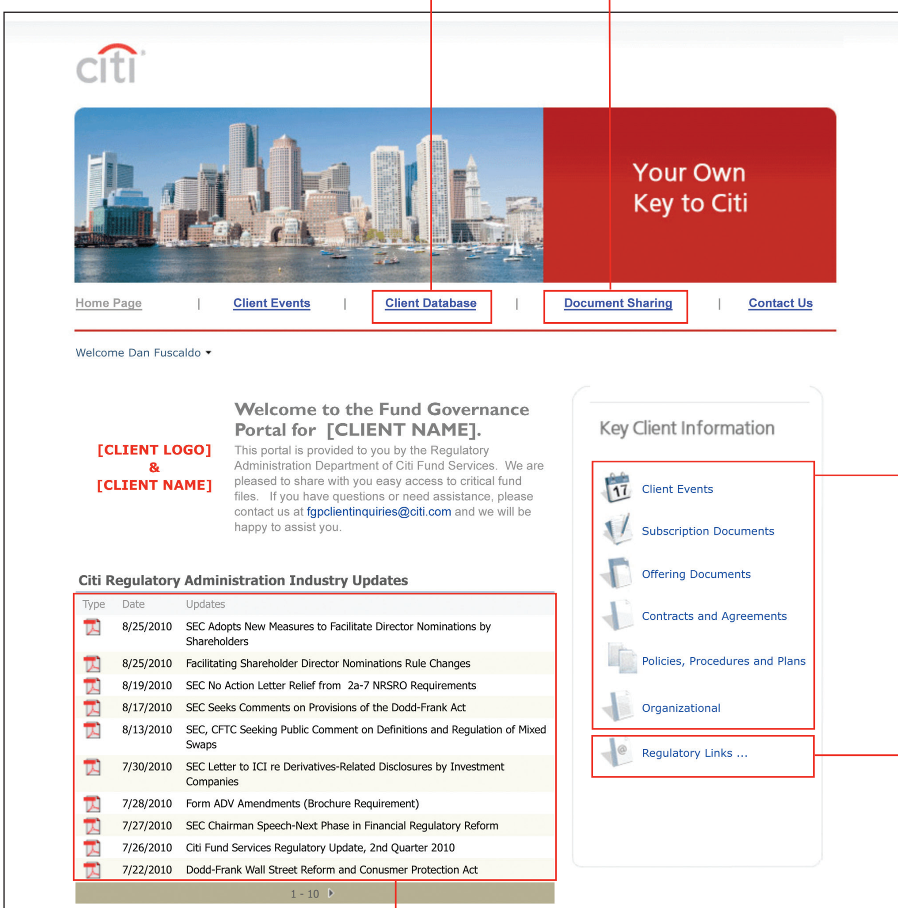
Need-to-Know Facts at a Glance

Whether it's fund facts, such as date of formation, or general partnership data, such as contact information, the Fund Governance Portal is a wealth of knowledge in one convenient location. Your Regulatory Administration team will work with you to ensure all your most salient and updated data is kept at your fingertips on the Fund Governance Portal in one easy-to-find and easy-to-navigate location.

Drop-Off and Pickup Portal

Convenient Exchange Site for Mega-Sized Documents

Fund Governance Portal features your own personal site for secure file-sharing purposes between your Citi Regulatory Administration team and whomever you designate as authorized. All documents are encrypted.



File Repository

Your Online Filing Cabinet

You'll have easy access to the most current versions of whatever records you've asked us to maintain in a read-only, user-friendly format.

Regulatory Links

A Direct Connection

Gain access to certain regulatory websites with an on-screen link, including direct links to your most recent SEC filings.

Industry Updates

News Headlines and More

Laws, regulations and industry positions are evolving daily. We'll keep you current with one place to look for the latest updates and news headlines.

Compliance Support Services

Our Team

The Compliance Support Services team at Citi consists of highly experienced professionals, including former SEC staff members, with the most senior members of our staff averaging 25 years' experience. Compliance is an integral part of our services as well as our culture. We have fostered an environment that is comfortable integrating compliance with all of our internal policies and procedures. Ultimately, this provides our clients with transparency and the utmost integrity surrounding activities conducted at Citi, on their behalf.

Our Focus

Over the past ten years the investment industry has faced numerous challenges requiring a well-built compliance program to weather the many unpredictable storms. From the customer privacy concerns of 2000, through the USA PATRIOT Act, Sarbanes-Oxley certifications, increased accounting pronouncements, increased advertising and disclosure requirements, market timing and late trading concerns, compliance program and CCO rules, and more recently, restrictions on short sales and the requirements under the Dodd-Frank Act, there doesn't seem to be a single investment issue that has not been scrutinized and subject to increased oversight and reporting requirements by at least one regulator. We are structured to stay abreast of these issues and provide real ideas and solutions to our clients regarding a well thought out, thorough and compliant approach to these new challenges as they arise.

culture of compliance

Our Services

Service Provider Testing Program

- Perform risk–based testing of Citi's compliance procedures, based upon Citi's services
- Maintain compliance procedures related to Citi's operational services
- Update Citi's compliance procedures to correct control weaknesses and implement regulatory changes or best practices
- Provide monthly reports regarding results of Citi's compliance testing
- Provide real-time escalation reports for material compliance matters
- Provide information necessary to support determination by your firm, as a registered investment adviser, regarding the adequacy and effectiveness of Citi's procedures
- Conduct annual risk assessment of Citi's compliance procedures
- Provide quarterly information on any material changes to Citi's compliance procedures
- Sponsor annual CCO Forum to present Citi's prior year test results and management response

Compliance Program Administration

- All of the above Service Provider Testing Program services
- Assist in providing compliance reports to your firm as the investment adviser
- Assist in assessing the adequacy of the controls in your firm's compliance program
- Assist in the review and analysis of regular reporting from other service providers to your funds
- Assist with the review of internal audit, independent accountant and third-party reports received from other service providers for control and compliance issues
- Assist with the maintenance and revision of your compliance program to reflect evolving industry best practices and regulatory initiatives
- Support your firm's evaluation and resolution of material compliance matters
- Assist with service provider reporting and certifications
- Engage in periodic testing activity to evaluate compliance with your funds' policies and procedures, as requested
- Assist with the development and maintenance of policies and procedures as a basis to enhance monitoring tools for application of the compliance program
- Assist with the administration of a risk-based monitoring and testing program

We're thrilled to share with you some details about our product leaders, demonstrating the depth of expertise you'll have access to when you choose Citi.

Bruce is responsible for closely monitoring regulatory, compliance and risk management issues impacting the business, including those issues impacting registered investment advisers, mutual funds and alternative investment products. His areas of expertise include the Investment Company Act of 1940, Investment Advisers Act of 1940, anti-money laundering, conflicts of interest, Sarbanes-Oxley, corporate governance and other regulatory issues that require policies, procedures and effective monitoring programs to facilitate compliance by investment management organizations. Bruce returned to BISYS in 2005, which was subsequently acquired by Citibank, N.A., after nearly seven years in the Investment Management Regulatory Consulting practices of Arthur Anderson and, later, Deloitte & Touche. From 1995 to 1998, he served as Vice President and Chief Counsel for BISYS, and prior thereto he worked in the Legal Department at Alliance Capital Management.

Bruce Treff

Managing Director, North America Regulatory and Compliance Services, Citi

Phone: 617.824.1425
E-mail: bruce.treff@citi.com

Mike, global head of hedge fund services, is responsible for innovation, driving and implementing the business strategy, the P&L of the business, and for managing risk across the business. Mike has been with Citi for more than 17 years and most recently was regional head of Securities and Fund Services' (SFS) Direct Custody and Clearing business in Asia Pacific, as well as having management oversight for all 16 SFS countries in the region. Mike began his career at Citi in global custody operations in London. After assuming several product positions in securities finance and collateral management areas, Mike moved to Hong Kong in 2001. While in Asia, Mike was a Securities Country Manager, regional clearing sales and business head and most recently head of Direct Custody and Clearing. In Hong Kong, Mike served as chairman of the HK Securities Industry Group.

Michael Sleightholme

Managing Director, Global Head of Hedge Fund Services, Citi

Phone: 973.461.5353
E-mail: michael.sleightholme@citi.com

Joe has global responsibility for the Citi Private Equity Services business, including business management, client service and operations. Joe has been in the professional services industry for more than 23 years, including eight years at Citi Private Equity Services. Prior to joining Citi Private Equity Services, he spent over 15 years at Arthur Andersen, most recently as an audit partner and the partner-in-charge of the emerging markets practice in the Stamford, Connecticut office.

Joseph Patellaro

Managing Director, Global Head of Private Equity Services, Citi

Phone: 917.472.5971
E-mail: joseph.patellaro@citi.com

experienced professionals

Staying Ahead of the Curve

We know this has been on your mind; it's been on ours, too. The alternative investment space is becoming increasingly dynamic and complex. To inform and educate our clients around the world, Citi's experts regularly contribute their perspectives and insights to financial markets' publications, are speakers at industry conferences and publish articles that demonstrate the bottom-line benefits our solutions deliver to clients. We also host a series of quarterly webinars on topics of timely interest to fund managers and other participants in the alternative investment space — all to keep our clients ahead of the curve in this ever-changing regulatory environment.

experienced professionals

culture of compliance

tailored solutions

innovative solutions

thought leadership

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