

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of **361 Capital LLC** [referred to below as 361 Capital LLC or Adviser]. If you have any questions regarding the contents of this Brochure, please contact us at (303) 224-3900 and/or via electronic mail at jblue@361capital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. 361 Capital LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information with which you may determine to hire or retain advisory services. Additional information about 361 Capital LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document (“brochure”) that we provide to clients as required by SEC rules. This Brochure dated March 11, 2011 is a new document prepared according to the SEC’s new requirements and rules. Therefore, this document is materially different from, and requires certain new information, that our previous brochure did not require.

In the future, this item will discuss only specific material changes that are made to the brochure and will provide a summary of such changes. In the past we have offered or delivered our brochure on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may also provide other ongoing disclosure information about material changes as necessary and provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Our brochure may be requested by contacting J.B. Blue, Vice President of Operations, at (303) 224-3900 and/or via electronic mail at jblue@361capital.com. Additional information about 361 Capital LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser, if applicable.

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Item 4 – Advisory Business

361 Capital LLC, a Delaware multi-series limited liability company which changed its name from Trail Ridge Capital LLC effective December 1, 2009, has been in business since 2001 and offers the services described below primarily to institutions, high net worth individuals, to the private investment funds of unaffiliated advisers, registered investment companies and to a private investment limited partnership. The unaffiliated advisers and/or their funds may be corporations, limited liability companies, partnerships or other business entities. Each of the funds is a private investment fund. The investors in the funds may include individuals; investment companies; pension and profit sharing plans; trusts; estates; charitable organizations; corporations and other business entities.

361 Capital LLC provides investment supervisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. These services may include: (i) development of investment policy; (ii) asset allocation; (iii) portfolio implementation and management; and (iv) performance evaluation. Account supervision is guided by the stated objectives of the client. Advisory services are tailored to the individual needs of the client taking into consideration the client's risk tolerance, time horizon, tax status, liquidity needs, return objectives and preferences for investment vehicles. Clients may impose restrictions on investing in certain securities or types of securities.

361 Capital LLC is primarily owned, through direct and indirect ownership interests, by Brian P. Cunningham, a Principal and Manager of 361 Capital LLC and its Chief Compliance Officer, and Thomas I. Florence, Principal and Manager of 361 Capital LLC. As of December 31, 2010, 361 Capital LLC managed discretionary client assets valued at approximately \$90 million and assets on a non-discretionary basis valued at approximately \$130 million.

Item 5 – Fees and Compensation

Prior to engaging 361 Capital LLC to provide investment advisory services, each client is required to enter into a written agreement ("Advisory Agreement") with 361 Capital LLC, as appropriate, setting forth the terms and conditions under which services are rendered.

Fees under each Advisory Agreement are typically billed as a percentage of assets under management or a fixed fee and are payable quarterly in advance, based on the market value of the assets on the last day of the previous quarter. Fees may be deducted directly from a client's custodial account or billed directly to the client. 361 Capital LLC may waive fees in whole or in part in its sole discretion for employees of 361 Capital LLC and their family members.

361 Capital LLC's standard fees schedules are as follows:

Custom Advisory Clients

Flat rate at all asset levels of 1.00%

Hedge Fund Replication using Exchange Traded Funds (ETFs)

Alternative Strategies Portfolio - Flat rate at all asset levels of 0.75%

Long/Short Equity Replication – Flat rate at all asset levels of 1.50%

361 Liquid Hedge Fund Portfolio

Flat rate at all asset levels of 1.25%

Depending on the circumstances, 361 Capital LLC, as appropriate, may also receive performance-based fees from one or more of their clients from time to time when such fee is determined to comply with

Section 205 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and Rule 205-3 under the Advisers Act. Such performance-based fees will only be accepted from those persons that 361 Capital LLC, as appropriate, have a reasonable basis to believe are "qualified clients" as defined in Rule 205-3. If 361 Capital LLC, as appropriate, enters into a performance-based fee structure with a qualified client, the terms of the arrangement will be negotiated between the parties at that time.

An Advisory Agreement may be terminated by either the client or the Adviser, normally on a quarterly basis after the first twelve (12) months of the relationship by giving at least thirty (30) days written notice to the other party. Fees will be pro-rated to the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

361 Capital LLC serves as investment adviser to 361⁰ Absolute Alpha Fund, a registered investment company (mutual fund). For its services, 361 Capital LLC is entitled to receive an annual management fee of 1.60%, calculated daily and payable monthly, as a percentage of the mutual fund's average daily net assets. Sub-adviser or consultant fees are paid by 361 Capital LLC out of the annual management fee.

Currently, the private investment limited partnership to which 361 Capital LLC provides investment advisory services is 361 Partners, LP, a Delaware multi-series limited partnership. 361 Partners, LP currently offers five series of investment: (i) the Domestic Equity Series, (ii) the Foreign Equity Series, (iii) the Absolute Return Series, (iv) the Real Assets Series, and (v) the Private Investments Series.

Partnership

For its services to 361 Partners, LP, 361 Capital LLC is entitled to management fees at an annual rate of: (i) one percent (1%) of each limited partner's capital account balance attributable to the Domestic Equity Series, (ii) one and one-quarter percent (1.25%) of each limited partner's capital account balance attributable to the Foreign Equity Series, (iii) and one and one-half percent (1.5%) of each limited partner's capital account balance attributable to the Absolute Return Series, the Real Assets Series and the Private Investments Series. Generally fees are not negotiable.

Limited partners holding interests in the various series of 361 Partners, LP may make withdrawal requests subject to certain restrictions discussed further in 361 Partners, LP's Private Placement Memorandum including the number of days prior written notice to be provided to Brite Management LLC, the general partner of 361 Partners, LP (the "General Partner") and an affiliate of 361 Capital LLC, and length of time after initial investment.

361 Partners, LP may agree with limited partners to waive or modify the application of any provision of the investment terms applicable to such investor in a "side letter" or in any other manner, without obtaining the consent of any other investor in 361 Partners, LP (other than an investor whose rights would be materially and adversely affected by waiver or modification). Side letter terms may include, without limitation, lock-up waivers, more favorable liquidity terms, reductions in management fees, and increased transparency. In situations where clients have an advisory relationship and are being charged an investment advisory fee by 361 Capital LLC, 361 Partners, LP will waive the fund management fees. 361 Partners, LP may also grant additional transparency or any form of additional disclosure with respect to the performance or operation of 361 Partners, LP to an investor without obtaining the consent of or granting similar rights to the other investors in 361 Partners, LP.

Client assets invested in exchange traded funds (ETFs), money market funds, or other mutual funds managed by independent managers, including funds at custodian banks, broker dealers or other custodians, may be subject to management fees charged by the manager of these funds which are in addition to management fees charged by the Adviser. Clients may also pay custodial fees and commissions and mark ups/mark downs for transactions effected by 361 Capital LLC in their accounts. Please refer to Item 12, Brokerage Practices, for a description of the 361 Capital LLC's practices regarding selection of broker-dealers and trading.

361 Capital LLC may negotiate its advisory fees and reserves the right to waive fees in whole or in part in its sole discretion for marketing or promotional reasons for varying periods of time. Such waivers may be

extended to employees of 361 Capital LLC and their family members. Assets of 361 Partners, LP may be allocated to managers, investment vehicles and/or other issuers to which other clients (including private investment funds and managed accounts) of 361 Capital LLC have allocated capital. Clients will not be provided with notification of such occurrences. Nevertheless, such arrangements may represent a conflict of interest.

The principals and other qualified employees of 361 Capital LLC may from time to time invest their personal funds in 361 Partners, LP. In addition, 361 Capital LLC personnel may invest client assets in, or recommend that clients invest in, shares of mutual funds for which 361 Capital LLC provides investment management services in exchange for fees and direct or indirect benefits.

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

As mentioned above, 361 Capital LLC may also receive performance-based fees from one or more of their clients from time to time when such fee is determined to comply with Section 205 of the Advisers Act and Rule 205-3 under the Advisers Act. Such performance-based fees will only be accepted from those persons that 361 Capital LLC have a reasonable basis to believe are “qualified clients” as defined in Rule 205-3. If 361 Capital LLC enters into a performance-based fee structure with a qualified client, the terms of the arrangement will be negotiated between the parties at that time. Performance-based fee arrangements may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The Adviser has procedures designed to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

361 Capital LLC offers the services described below primarily to institutions, high net worth individuals, to the private investment funds of unaffiliated advisers, registered investment companies and to a private investment limited partnership.

For custom multi-manager portfolios or sub-advisory relationships, 361 Capital LLC generally requires a minimum account size of \$50 million. The minimum initial investment in 361 Partners LP is \$1 million and the minimum for subsequent investments is \$50,000, although lesser amounts may be accepted. 361 Capital LLC (or in the case of 361 Partners LP, the General Partner) may, in its sole discretion, waive such minimum. For exchange traded fund (ETF) portfolios, the minimum account size is generally \$500,000.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

361 Capital LLC provides investment advisory services with respect to interests in private investment funds and other investment vehicles. 361 Capital LLC specializes in alternative investments with an emphasis on investing in hedge funds and using liquid investment products such as exchange traded funds (ETFs) in an effort to generate hedge fund-like returns. 361 Capital LLC utilizes both fundamental and quantitative methods of analysis in managing its client portfolios.

Additionally, client capital is allocated to various investment managers ("Managers") that employ a variety of investment strategies which may include investing such capital in interests in partnerships. Clients typically indirectly invest with Managers through the purchase of interests in private investment funds or other investment vehicles managed by such Managers ("Sub-Funds"). However, from time to time, clients may also directly engage a Manager through managed account agreements ("Managed Accounts", and

together with the Sub-Funds, "Investment Vehicles"). The Investment Vehicles may invest in a variety of U.S. and non-US securities and other investments.

361 Capital LLC will apply a variety of criteria and approaches when selecting investment vehicles and Managers and monitor and adjust the allocation of assets in client portfolios among the various investment strategies, Managers, and individual investments based on performance results, market results, changed economic conditions, limitations and objectives of client accounts and other relevant issues. In addition, 361 Capital LLC will endeavor to select Managers that offer a variety of different skills in an effort to balance client portfolios and produce an overall portfolio return consistent with clients' investment objectives. 361 Capital LLC may manage a portion of a client portfolio assets or entire portfolios directly and may allocate a portion of assets to Managers. There is generally no fixed or minimum allocation to any Manager. The actual strategies employed on behalf of client portfolios at any particular time will depend upon the strategic considerations and investment selections made by 361 Capital LLC, which will depend upon its assessment of liquidity requirements established by the client, considerations of strategic diversification and relative risk/return, evaluation of current market conditions and relative attractiveness of the available opportunities among the Managers and other investments. The weighting of strategies reflected in client portfolios will depend upon the strategy selections and consequent investments made by 361 Capital LLC and each Manager.

361 Capital LLC generally engages in the following research and portfolio management activities:

- Qualitative and quantitative analysis of investment strategies to determine the proportionate mix of strategies designed to meet client investment objectives;
- Identification of, and due diligence of, specific securities, investment vehicles and qualified Managers;
- Ensuring that investments comply with restrictions established by clients;
- Monitoring all investments and reallocating or rebalancing investments and assets among the various securities, strategies and sub-advisers; and
- Directly investing certain assets of the client accounts, including but not limited to, hedging various market risks, investing portfolio assets pending allocation to a Manager, and establishing positions in securities the Adviser deems appropriate for meeting clients' investment objectives.

361 Capital LLC may invest client assets directly or through Managers in a wide range of instruments, markets and asset classes in the United States and non-United States markets. Investments generally include equity securities, derivatives, and fixed income securities.

Equity securities: For client portfolios, 361 Capital LLC or Managers may take both long and short positions in issuers in the United States as well as foreign (non-United States) markets, including emerging markets. Client portfolios may also be invested in pooled investment vehicles, including registered investment companies, such as mutual funds and exchange traded funds (ETFs), and private funds. A long position is the purchase of an investment with the expectation that it will rise in value. A short position is the sale of a borrowed investment with the expectation that it will decline in value. Portfolios may engage in short-selling for investment and hedging purposes, such as limiting exposure to possible market declines in the value of portfolio securities. Portfolios may invest in companies of any size.

Derivatives: 361 Capital LLC or Managers may invest client portfolios in derivative instruments, including futures and options contracts; futures contracts on securities, commodities, and securities indices; and options on securities, securities indices, commodities and futures, and swaps. Futures contracts generally are standardized, exchange-traded contracts that provide for the sale or purchase of a specified financial instrument or currency at a future time at a specified price. Portfolios may engage in futures transactions on both United States and foreign exchanges. Swaps are over-the-counter contracts entered into primarily by institutional investors. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investment or instrument. The gross returns to be exchanged or "swapped" between the parties are generally calculated

with respect to a "notional amount" (*i.e.*, the return on or increase in value of a particular dollar amount invested at a particular interest rate) in a particular foreign currency, or in a "basket" of swaps or securities or commodities representing a particular index.

Fixed income securities: 361 Capital LLC or Managers may invest client portfolios in corporate bonds, debt securities of domestic and foreign governments, agencies, of any credit quality and maturity, including those rated below investment grade (*i.e.*, junk bonds).

Material Risks

The list of risk factors below is not a complete enumeration or explanation of the risks involved in an investment through 361 Capital LLC, third-party Managers selected by 361 Capital LLC or any of the client portfolios it manages. For investors or potential investors in private funds managed by 361 Capital LLC, refer to the private placement memorandum and other private fund documents, such as the limited partnership's agreement, for a complete description of risks associated with the private fund(s). For shareholders or potential shareholders in the investment company (mutual fund) portfolio(s) managed by 361 Capital LLC, please refer to the prospectus(es) and statement(s) of additional information for a complete description of risks associated with the mutual fund(s).

Exchange traded fund (ETF) portfolios managed by 361 Capital LLC involve general market risk as well as the potential that a specific exchange traded fund does not track its underlying index or strategy. In addition, there is market impact risk.

The 361 Capital LLC-managed private funds also have illiquidity risk and certain strategies, such as private equity, may experience interim pricing that deviates substantially from the value if the underlying investment was liquidated in the open market. Hedge funds also involve fraud risk and the risk that the manager deviates substantially from their stated strategy. Certain of these risks, among others, are described in more detail below.

Equity Risk: The value of the equity securities held by client portfolios may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by client portfolios participate, or factors relating to specific companies in which portfolios invest. The stock market has been subject to significant volatility recently which has increased the risk associated with certain equity investments. Common stock may decline in price if its issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

Small-Capitalization Company Risk: The securities of small-capitalization companies may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger companies or the market averages in general. The earnings and prospects of these companies are generally more volatile than larger companies. Small-capitalization companies may experience higher failure rates than do larger companies. Stocks of such companies involve higher risks in some respects than do investments in stocks of larger companies. For example, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks and lower trading volume may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies. These securities entail more risk (and potentially more benefit) than investments in shares of companies with higher market capitalizations because of market conditions in general, especially in times of market volatility and illiquidity. In addition, failed expectations concerning particular industries or companies and negative analyst comments could have a relatively dramatic effect on the prices of these securities.

Exchange Traded Funds Risk. Exchange traded funds (*ETF's*) typically trade on securities exchanges and their shares may, at times, trade at a premium or discount to their net asset values. In addition, they

may not replicate exactly the performance of the benchmark index it seeks to track for a number of reasons, including transaction costs incurred by the exchange traded fund, the temporary unavailability of certain index securities in the secondary market or discrepancies between the exchange traded fund and the index with respect to the weighting of securities or the number of securities held. Investing in exchange traded funds, which are investment companies, may involve duplication of advisory fees and certain other expenses. Client portfolios will typically incur brokerage costs when purchasing and selling shares of exchange traded funds.

Derivatives Risk. Derivatives include instruments and contracts that are based on, and are valued in relation to, one or more underlying securities, financial benchmarks or indices. The value of a derivative depends largely upon price movements in the underlying instrument. Therefore, many of the risks applicable to trading the underlying instrument are also applicable to derivatives trading. However, there are a number of additional risks associated with derivatives trading. For example, a small investment in derivatives could have a potentially large impact on a portfolio's performance.

Options. 361 may trade in put and call options, which are highly specialized activities and entail greater than ordinary investment risks. Trading put and call options can result in large amounts of leverage because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options. Conversely, purchasing options limit an investor's risk to the premium paid which can give an investor exposure to a larger dollar amount without commensurate capital requirements.

Over-the-Counter Trading. 361 Capital LLC may purchase or sell derivative instruments that are not traded on an exchange. The risk of nonperformance by the obligor on such an instrument may be greater than the risk associated with an exchange-traded instrument. In addition, a portfolio may not be able to dispose of, or enter into a closing transaction with respect to, such an instrument as easily as in the case of an exchange-traded instrument. Derivatives not traded on exchanges are not subject to the same type of government regulation as exchange-traded instruments, and many of the protections afforded to participants in a regulated environment may not be available with respect to these instruments.

Hedging Transactions. 361 Capital LLC will, from time to time, employ various hedging techniques to attempt to reduce the risk of an outright purchase of an investment or highly speculative investments in securities. There remains a substantial risk, however, that hedging techniques may not always be effective in limiting losses. If the Adviser analyzes market conditions incorrectly or employs a strategy that does not correlate well with portfolios' investments, the hedging techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. Further, a specific hedge may not be available with respect to a particular investment and even if available, may not perfectly match the position which is sought to be hedged. These hedging techniques may also increase the volatility of client portfolios; may involve a small investment of cash relative to the magnitude of the risk assumed; or result in a loss if the other party to the transaction does not perform as promised.

Liquidity of Futures Contracts. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day (each a "daily limit"). Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be entered into nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have occasionally moved beyond the daily limits for several consecutive days with little or no trading. Over-the-counter instruments generally are not as liquid as instruments traded on recognized exchanges. These constraints could prevent the Adviser from promptly liquidating unfavorable positions, subjecting client accounts to substantial losses. In addition, the regulators and exchanges limit the number of positions that a portfolio may indirectly hold or control in particular commodities.

Non-United States Futures Transactions. Foreign futures transactions involve the execution and clearing of trades on a foreign exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, a client portfolio for which 361 Capital LLC employs non-United States futures may not be afforded certain of the protections that apply to domestic transactions. In addition, the price of any foreign futures or option contract may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the foreign futures contract is liquidated or the foreign option contract is liquidated or exercised.

Fixed Income Securities Risk. Fixed income securities are subject to the risk that securities could lose value because of interest rate changes. Fixed income securities with longer maturities are subject to greater price shifts as a result of interest rate changes than fixed income securities with shorter maturities. There is also the risk that a bond issuer may “call,” or repay, its high-yielding bonds before their maturity dates. Fixed income securities are generally subject to credit risk (see paragraph directly below), which is the risk that an issuer will not make timely payments of principal and interest. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time.

Credit risk. Failure of an issuer or guarantor of a fixed income security, or the counterparty to a derivative transaction, to make timely interest or principal payments or otherwise honor its obligations, could cause a portfolio to lose money. Similarly, a decline or perception of a decline in the credit quality of a bond can cause the bond's price to fall.

Interest rate risk. Prices of bonds tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect bond prices.

High yield risk. High yield bonds involve greater risks of default or downgrade and are more volatile than investment-grade securities. High yield bonds involve a greater risk of price declines than investment-grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of high yield bonds may be more susceptible than other issuers to economic downturns, which may result in a weakened capacity of the issuer to make principal or interest payments. High yield bonds are subject to a greater risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. Discontinuation of these payments could have a substantial adverse effect on the market value of the security.

Lack of Liquidity. The Adviser monitors the liquidity of client assets in making decisions regarding the client investments. However, certain investments, including derivatives, may have to be held for a substantial period of time before they can be liquidated to the portfolio's greatest advantage or, in some cases, at all. Portfolios may also hold securities for which a market exists but which generally have a relatively low trading volume. Portfolios may not be able to dispose of such securities at the most favorable price or time if there is limited demand when the Adviser wishes to sell them.

Portfolio assets may, at any given time, include securities and other financial instruments or obligations which are very thinly traded or for which no market exists or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts. Further, such investments may be extremely difficult to value with any degree of certainty.

Counterparty Credit Risk. Many purchases, sales, financing arrangements, and derivative transactions in which portfolios may engage involve instruments that are not traded on an exchange. Rather, these instruments are traded between counterparties based on contractual relationships. As a result, the portfolio would be subject to the risk that a counterparty will not perform its obligations under the related contract. The Adviser intends to use counterparties it believes to be creditworthy but there can be no

assurance that a counterparty will not default and that a portfolio will not sustain a loss on a transaction as a result.

Leveraging risk. The use of leverage, such as entering into futures contracts, margin borrowing, options, and short sales, may magnify a portfolio's gains or losses. Because many derivatives have a leverage component, adverse changes in the value or level of the underlying instrument can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Borrowings will usually be from broker-dealers and will typically be secured by a client's securities and other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures portfolio obligations and if the portfolio were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the portfolio's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the portfolio's profitability.

Management and strategy risk. The ability of a portfolio to meet its investment objective is directly related to the Adviser's investment strategies for portfolios, including the multi-Manager and multi-strategy approach. The investment process used by 361 Capital LLC or Managers could fail to achieve client investment objective and cause investments to lose value.

Multi-style management risk. Because portions of client portfolios may be managed independently by Managers using different styles, a portfolio could experience overlapping security transactions. Certain Managers may be purchasing securities at the same time other Managers may be selling those same securities which may lead to higher transaction expenses compared to a portfolio using a single investment management style.

Foreign investment risk. To the extent a portfolio has investment exposure to foreign markets, the portfolios performance will be influenced by political, social and economic factors affecting investments in such markets. Special risks associated with investments in foreign markets include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards. Emerging markets tend to be more volatile than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries.

Market sector risk. The Advisers investment strategy may result in significantly over or under exposure to certain industries or market sectors, which may cause a portfolio's performance to be more or less sensitive to developments affecting those industries or sectors.

Non-Diversification/Concentration. The Adviser may invest client accounts primarily in the equity securities of a small number of issuers. Accordingly, a client's portfolio may be subject to more rapid change in value than would be the case if the Adviser elected not to concentrate on certain issuers or maintained a wider diversification among industries, geographic areas, types of securities and issuers.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the Adviser or the integrity of its management. 361 Capital LLC has no applicable disciplinary information.

Item 10 – Other Financial Industry Activities and Affiliations

361 Capital LLC is the sole member and owner of Brite Management LLC, the general partner of 361 Partners, LP. 361 Capital LLC advises the General Partner about private investment funds in which 361 Partners, LP is to invest. Each investment is made based on the investment objectives of the different series of 361 Partners, LP as more fully discussed in 361 Partners, LP's Private Placement Memorandum. 361 Capital LLC also provides the following services to the General Partner: (i) performance evaluations; (ii) Manager due diligence; (iii) Manager selection and ongoing evaluation; (iv) ongoing portfolio monitoring; and (v) performance reporting.

Thomas I. Florence, a Principal, Manager and owner of 361 Capital LLC, has a non-controlling interest of less than 10% in Dividend Capital Investments LLC, an unaffiliated registered investment adviser. He has no management responsibility or decision-making authority in the business of the registered investment adviser. The registered investment adviser is an adviser to a closed-end mutual fund registered under the Investment Company Act of 1940. The registered investment adviser has hired Calomos Investment Management as a sub-adviser.

Item 11 – Code of Ethics

361 Capital LLC has adopted and implemented a Code of Ethics (the "Code") in accordance with Section 204A of the Advisers Act and Rule 204A-1 under the Advisers Act which sets forth the professional standards expected of each of 361 Capital LLC's employees (as defined below) and procedures for avoiding or otherwise dealing with conflicts of interest that arise from time to time. The Code requires each employee (including officers, managers and other control persons) of 361 Capital LLC who participates in or obtains information regarding the purchase or sale of securities for a client, or whose functions relate to the making of any recommendations with respect to such purchases or sales to comply with the provisions of the Code. The Code contains written policies and procedures reasonably designed to prevent the misuse of material, nonpublic information by 361 Capital LLC, or any person associated therewith, in violation of the Advisers Act or the Securities Exchange Act of 1934, or the rules or regulations there under. The Code requires all employees to comply with applicable federal securities laws and requires that certain employees (called "Access Persons" under the Advisers Act) report their personal securities holdings and transactions. The Code also imposes restrictions on the purchase or sale of securities for an employee's own account and accounts in which the employee has a beneficial interest. 361 Capital LLC employees are not restricted from ever holding the same securities that are held in client accounts; however, they are required to conduct themselves in such a manner that transactions for its clients shall have priority over any personal transactions. Personal transactions may not adversely affect the interests of 361 Capital LLC's clients. Additionally, the Code requires the following: (1) employees must report any violations of the Code promptly to 361 Capital LLC's Chief Compliance Officer, (2) 361 Capital LLC must provide each employee with a copy of the Code and any amendments, and (3) employees must provide 361 Capital LLC with a written acknowledgment of their receipt of the Code of Ethics and any amendments thereto.

A copy of the Code will be provided to any client of 361 Capital LLC or any investor in 361 Partners, LP upon request by contacting J.B. Blue, Vice President of Operations, at (303) 224-3900 and/or via electronic mail at jblue@361capital.com.

Item 12 – Brokerage Practices

Set forth below is a description of: (1) 361 Capital LLC's authority and practices with respect to the selection of, and allocation of 361 Partners LP capital to, Managers; (2) the authority and practices of Managers with respect to the selection of, and allocation of transactions to, broker-dealers in connection with Investment Vehicles; and (3) the authority and practices of 361 Capital LLC with respect to the

selection of, and allocation of transactions to, broker-dealers in connection with assets of advisory clients and 361 Partners, LP managed directly by 361 Capital LLC.

(1) SELECTION OF AND ALLOCATION OF PARTNERSHIP CAPITAL TO MANAGERS

361 Partners, LP's capital is often allocated to various Managers that employ a variety of investment strategies. With respect to 361 Partners, LPs' multi-manager, multi-strategy investment approach, 361 Capital LLC will select Managers to invest 361 Partners, LP's capital on a discretionary basis. There are no restrictions on the investment discretion of 361 Capital LLC in connection with the selection of Managers.

(2) INVESTMENT/BROKERAGE DISCRETION – PARTNERSHIP CAPITAL ALLOCATED TO MANAGERS

Each Manager selected by 361 Capital LLC will have the authority to buy and sell any investment securities in any amounts in its discretion. The investment securities of the Investment Vehicles in which 361 Partners LP invests are expected to be principally (but not necessarily exclusively) purchased and sold through brokerage firms in the United States. 361 Capital LLC will not have the right to choose the brokers or dealers through which purchases or sales of securities for Investment Vehicles are made; such decision will remain with the Manager. 361 Capital LLC attempts to select Managers which it believes will use their best efforts to obtain execution of portfolio transactions at prices which are advantageous to the Investment Vehicles and 361 Partners LP and at commission rates which are reasonable in relation to the benefits received, although it is not required to do so.

Some Managers may allocate portfolio transactions to brokers in consideration of such brokers' provision of, or payment of the cost of, certain services that provide a benefit to one or more of their clients. In such circumstances, portfolio transactions generally will be allocated to brokers in consideration of such factors as price, the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility, any research or investment management-related services and equipment or other products or services provided by such brokers. Accordingly, if a Manager determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage, research or investment management-related services and equipment or other product and services provided by such broker, the Manager may pay commissions to such broker in an amount greater than the amount another broker might charge.

Section 28(e) of the Securities Exchange Act of 1934, as amended permits the use of certain brokerage and research services (see paragraph directly below this) in certain circumstances, provided that a Manager does not pay a rate of commissions in excess of what is competitively available from comparable brokerage firms for comparable services, taking into account various factors, including commission rates, financial responsibility and strength and ability of the broker to efficiently execute transactions.

(3) INVESTMENT/BROKERAGE DISCRETION - PARTNERSHIP AND ADVISORY CAPITAL MANAGED DIRECTLY BY 361 CAPITAL LLC AS APPROPRIATE

In addition to 361 Capital LLC's multi-manager, multi-strategy investment approach, the Adviser manages certain portfolios containing individual securities and therefore engages in direct securities or commodities transactions. For direct securities transactions, 361 Capital LLC will be authorized to determine the broker to be used to execute each securities transaction. 361 Capital LLC will generally select securities brokers on the basis of best execution, which will be determined by taking into account, among other things, commission rates (and other transactional charges), the broker's financial strength, reputation, reliability, responsiveness and accuracy of recommendations on particular securities, ability to execute trades, option and commodity operations, the availability of stocks to borrow for short trades, willingness to execute related or unrelated difficult transactions in the future, order of call, back office operations, processing and special execution capabilities, efficiency of execution and error resolution.

Additionally, in selecting broker dealers, 361 may take into account the value of products and/or services, provided by the broker or provided by others but paid for by the broker. In recognition of the value of products and services provided by a broker, 361 Capital LLC may affect securities transactions which cause them to pay commissions in excess of the amount of commissions another broker would have charged. The relationships with brokerage firms that provide such "soft" dollar services may influence the allocation of brokerage business and create a conflict of interest in using the services of those broker-dealers to execute brokerage transactions. 361 Capital LLC intends to utilize allocations of "soft" dollars, if any, solely to pay for (i) certain expenses which would otherwise be borne by the client; and (ii) products or services that qualify as "research and brokerage services", within the meaning of Section 28(e). 361 Capital LLC currently does not have any "soft" dollar arrangements.

Item 13 – Review of Accounts

Senior investment professionals, including the principals of 361 Capital LLC, provide some or all of the following evaluations: (i) quarterly review of portfolios for compliance with investment objectives and policies; (ii) assessment of diversification of assets in the portfolio at least weekly; (iii) gauging general portfolio construction relative to capital markets outlook at least monthly; (iv) evaluating underlying risks within the portfolios at least weekly; and (v) reporting quarterly on portfolio performance. Weekly reviews are performed by the Adviser's investment committee. The senior investment professionals are instructed to perform the other foregoing tasks in accordance with each account's applicable investment plan.

With respect to 361 Capital LLC's advisory clients 361 Capital LLC typically provides performance evaluation reports, which include account holdings on a quarterly basis. Clients may request similar reports on a more frequent basis.

With respect to the 361 Partners, LP, each investor therein is provided with audited financial information with respect to the performance of each series they are invested in, after the end of each fiscal year, as well as information regarding the status of the investor's capital account or shares (as applicable) and certain tax reporting information. In addition, after the end of each calendar month, each investor is provided with unaudited financial information for such period with respect to the performance of such series and the investor's interest therein.

With respect to investment company (mutual fund) portfolio(s) advised by 361 Capital LLC, 361 Capital LLC submits quarterly reports to the board of directors of the mutual fund(s) to which it provides investment management services. The reports generally contain information about the fund's holdings, current market and economic conditions, and investment techniques used to implement such fund's investment strategy. In addition, fund shareholders receive an annual report that discusses investment performance and relevant market and economic conditions affecting the fund which includes fund holdings. Additional information on fund investments is also available to shareholders in the fund's semi-

annual report. Furthermore, a complete schedule of fund portfolio holdings for the first and third fiscal quarters is filed with the SEC on Form N-Q.

Item 14 – Client Referrals and Other Compensation

361 Capital LLC may compensate, either directly or indirectly, persons for client referrals. Some states may require investment adviser agent registrations for persons compensated for client referrals. 361 Capital LLC is aware of the requirements under Rule 206(4)-3 under the Advisers Act and endeavors to comply with those requirements. As such, 361 Capital LLC will maintain all written instruments required by the rule.

From time to time 361 Capital LLC may enter into written agreements with third parties who solicit potential advisory clients on behalf of 361 Capital LLC. Such agreements will comply with Rule 206(4)-3 under the Advisers Act and, in entering into such agreements, 361 Capital LLC will comply with that rule and with other applicable requirements of the Advisers Act and applicable state securities law requirements. Generally, those agreements provide for payment of a retainer and a percentage of the investment management fees 361 Capital LLC collects from advisory clients who become clients as a result of the solicitor's efforts. Generally, advisory clients are not responsible for any part of the compensation that solicitors receive, and 361 Capital LLC does not charge clients introduced by such solicitors any higher fee or any additional amount as a result of obligations to pay such solicitors for their solicitation services. Such agreements are generally for an unspecified duration and are terminable upon thirty (30) days notice.

361 may also compensate employees for client referrals so long as such arrangements comply with the Advisers Act and its rules, and any applicable state securities laws. Clients will not be charged a higher fee as a result of these arrangements

Item 15 – Custody

The general partner to the private funds 361 Capital LLC manages has custody of those private funds' funds and securities through the ability to access and control these assets and withdraw them from custodial accounts. These private funds are audited annually, and investors in the private funds receive the financial statements resulting from the audits within 120 days of the end of each private fund's fiscal year end. With respect to other client accounts, 361 Capital LLC does not have custody of funds or securities although investors may allow the Adviser to directly debit advisory fees from their custodial accounts. These investors receive at least monthly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. 361 Capital LLC urges clients to carefully review such statements and compare such official custodial records to the reports and statements that the Adviser provides. 361 Capital LLC's reports to clients may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

361 Capital LLC typically receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Investment discretion may be limited by a written statement of the client such as an investment policy statement, which includes investment objectives, investment guidelines, and restrictions. Clients may place restrictions on certain securities especially as it relates to tax recognition, securities in other investment accounts or concentration in sectors or asset classes. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

Item 17 – Voting Client Securities

In accordance with Rule 206(4)-6 under the Advisers Act, 361 Capital LLC has adopted written policies and procedures regarding the voting of client proxies that are designed to ensure that 361 Capital LLC fulfills its fiduciary obligations to clients, including without limitation, policies for addressing material conflicts that may arise between 361 Capital LLC's interests and those of their clients. The written policies are designed to address a wide range of common business and social issues often contained in proxy statements and to require 361 Capital LLC to vote a client's securities covered by a proxy in the best interest of clients. Items not specifically addressed in the policy will be dealt with on a case-by-case basis by the principals of 361 Capital LLC.

A copy of 361 Capital LLC's proxy voting guidelines and information regarding how 361 Capital LLC has voted a client's securities are available upon request by contacting J.B. Blue, Vice President of Operations, at (at (303) 224-3900 and/or via electronic mail at jblue@361capital.com.

Item 18 – Financial Information

A registered investment adviser is required to provide certain financial information or disclosures about its financial condition. 361 Capital LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.