

BROCHURE OF

Willowbrook Asset Management LLC

A Delaware Limited Liability Company registered with the Securities and Exchange Commission as an Investment Adviser

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF WILLOWBROOK ASSET MANAGEMENT, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 310.432.2101 OR PMCMILLAN@WBCAP.COM.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION, NOR THE STATE OF DELAWARE, NOR ANY STATE SECURITIES AUTHORITY, HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THIS BROCHURE. REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING. ADDITIONAL INFORMATION ABOUT WILLOWBROOK ASSET MANAGEMENT, LLC ALSO IS AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

The date of this Brochure is

March 31, 2011

The delivery of this Brochure ("Brochure") at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other such documents containing information about our Firm.

Material Changes to Brochure

There are no material changes to report regarding our advisory business.

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I. Part 2A – DISCLOSURE ITEMS ABOUT FIRM

Item 4. General Information about Firm:

- (A) **Operational and Organizational Information:** Willowbrook Asset Management LLC (“Firm”), a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser is wholly-owned by Willowbrook Capital Group LLC. As stated on the cover page of this Disclosure Document, registration as an investment adviser does not imply a level of skill or training. Firm has been in business since 2003. The principal owners of Firm are Peter McMillan and Keith Hall.
- (B) **Types of Advisory Services Offered:** Firm provides investment management services for Willowbrook Hedge Fund I LP (“Partnership”). The Partnership’s investment strategy is focused on investments in publicly traded equities, including both long positions and short positions. The Partnership also enters into equity option positions, including both call options and put options, primarily for hedging purposes. Please review Firm’s investment guidelines, specified below under “Client Investment Guidelines and Parameters.”
- (C) **Client Investment Guidelines and Parameters:** Firm provides discretionary investment advisory services to all fee paying clients’ accounts. In connection with managing the investments of its separate account clients, such account’s investment management agreements provide investment guidelines and parameters that provide the context within which Firm renders its investment management services, subject to such investment decisions being approved by the relevant client. The General Partner anticipates that most of the Partnership’s assets will be invested in publicly traded equity and equity-like securities. In carrying out the Partnership’s investment objective, the General Partner focuses on companies that have a reasonable expectation of producing above average returns. The Partnership purchases equities that the General Partner believes to be undervalued, and sells short equities that the General Partner believes to be overvalued. The General Partner invests in companies without regard to market capitalization, geographic location or market sector
- (D) **Wrap Fee Programs:** Firm does not participate in wrap fee programs.
- (E) **Client Assets Under Management:** (*rounded to the nearest \$100,000*)

(i) Discretionary: \$24,000,000 as of 3.31.2011

(ii) Non-discretionary: None

Item 5. Fees and Compensation:

(A) **Generally:** All fees are consistent for all investors in the Partnership other than affiliated personnel who are not charged any fees. In addition, Firm collects incentive fees based on the performance of investments. Please refer to Item 6, below, for a more detailed description of performance or incentive fees, and related conflicts of interest.

(B) **Management Fees:** A management fee of .25% per quarter is calculated based on each limited partner's share of the Partnership's net worth. The Management Fee shall be payable quarterly in advance and calculated as of the first day of each calendar quarter.

The General Partner shall receive an annual performance allocation (the

"Performance Allocation") at the close of each fiscal year equal to twenty percent (20%) of the portion of the Partnership's annual net income (including realized and unrealized gains and net of the Management Fee) attributable to each Limited Partner as of the close of such year. The Performance Allocation is deducted from each limited partner's account at the end of the fiscal year and shall be subject to a high water mark

(C) **Additional Fees:** In addition, clients will incur brokerage and other transaction costs. Clients should review carefully Item 12, which discusses conflicts of interest related to brokerage practices. Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to the Partnership. Firm will not receive any portion of such commissions or fees from the custodian or client. In addition, clients may incur certain charges imposed by third parties other than Firm in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees, and surrender charges, and IRA and qualified retirement plan fees. Management and/or Performance fees charged by Firm are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

- (i) **Organizational Expenses:** The Partnership may, at Firm's discretion, pay or reimburse Firm and/or its affiliates for all expenses related to the organization and initial offering expenses of a Partnership, including, but not limited to, legal and accounting fees, printing and mailing expenses and government filing fees (including blue sky filing fees).
 - (ii) **Operating Expenses:** The Partnership shall pay or reimburse Firm and its affiliates for (i) all expenses incurred in connection with the ongoing offer and sale of Interests, including, but not limited to, marketing expenses, documentation of performance and the admission of Limited Partners, (ii) all operating expenses of a Partnership such as tax preparation fees, governmental fees and taxes, administrator fees, communications with Limited Partners, and ongoing legal, accounting, auditing, bookkeeping, consulting and other professional fees and expenses, (iii) all Partnership trading and investment related costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees, clearing and settlement charges), and (iv) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims, assertion of rights or pursuit of remedies, by or against a Partnership, including, without limitation, professional and other advisory and consulting expenses and travel expenses, and whether or not pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer.
- (D) **Fees Paid in Advance:** The Management Fee shall be payable quarterly in advance and calculated as of the first day of each calendar quarter.
- (E) **Additional Compensation of Supervised Persons:** No supervised person accepts compensation from the Partnership or the Firm for the sale of securities or other investment products of any type.
- (F) **Termination of Services:** Firm may terminate the asset management agreement by providing at least 30 days' prior written notice to the other party. Termination will be effective upon receipt of notification by the other party.

Limited partners are subject to a one-year lockup period where withdrawals are not permitted without the Firm's consent. After the expiration of the lockup period limited partners may withdraw a minimum of \$100,000 as of the last day of any calendar quarter upon at least thirty 30 days prior written notice, and in such other amounts and at such other times as the General Partner may determine in its sole discretion. Unless the General Partner consents, partial withdrawals may not be made if they would reduce a Limited Partner's capital account balance below \$250,000. All withdrawals shall be deemed made prior to the commencement of the following quarter.

The Partnership may suspend or postpone the payment of any withdrawals from capital accounts (i) in the event that Limited Partners, in the aggregate, request withdrawals of twenty-five percent (25%) or more of the value of the Partnership's capital accounts as of any date of withdrawal; (ii) during the existence of any state of affairs which, in the opinion of the General Partner, makes the disposition of the Partnership's investments impractical or prejudicial to the Partners, or where such state of affairs, in the opinion of the General Partner, makes the determination of the price or value of the Partnership's investments impractical or prejudicial to the Partners; (iii) where any withdrawals or distributions, in the opinion of the General Partner, would result in the violation of any applicable law or regulation; or (iv) for such other reasons or for such other periods as the General Partner may in good faith determine.

The General Partner may, in its sole discretion, require a Limited Partner to withdraw any or all of the value of the Limited Partner's capital account on five (5) days notice.

Item 6. Performance Based Fees:

- (A) **Partnerships:** In addition to the Management Fee, Firm is compensated for its investment management services through an incentive fee, also known as a performance based fee ("Performance Fee"). Under this arrangement, the client will be charged a fee contingent upon the performance within the client's account. The Performance Fee will be tied to the capital appreciation within the account as evaluated at the end of each calendar year. The Performance Fee will be payable annually, in arrears. Firm shall also receive the Performance Fee upon any withdrawal by an investor, whether voluntary or involuntary, and upon dissolution of a Partnership. The Performance Fee shall be in addition to the proportionate allocations of income and profits, or

losses, to Firm and/or its affiliates based upon their capital accounts relative to the capital accounts of all investors. The Performance Fee will be calculated 20% of net capital appreciation attained within the client's account (net of all expenses, including any commissions, etc.). Firm, in its sole discretion, may waive or reduce the Performance Fee with respect to any investor for any period of time, or agree to modify the Performance Fee for that investor. Firm may, in its discretion, reallocate a portion of the Performance Fee to certain investors.

- (B) **Generally:** In order for Firm to receive a Performance Fee, Firm must achieve capital appreciation within the account. Firm will charge Performance Fees in adherence with a high water mark, which means that no Performance Fee will be earned unless the performance exceeds the previously achieved high water mark where Performance Fees were charged. The high water mark will be used in order to prevent a scenario whereby Firm could receive a Performance Fee merely for recouping prior losses. A full description of the entire fee arrangement will be disclosed to the client in such client's investment advisory agreement. Fees generally are deducted directly from the client's account, as specified in the relevant asset management agreement. Firm's receipt of Performance Fees is intended to align Firm's interests with those of Firm's clients, and, to provide Firm with a greater incentive to manage assets well. The nature of the Performance Fee, however, creates a potential conflict of interest between Firm, its associated persons, and clients.

Such fees will be structured and charged in a manner consistent with the requirements of applicable law, including the Advisers Act and ERISA. An incentive fee arrangement may create an incentive for Firm to make investments that are riskier or more speculative than would be the case in the absence of a Performance Fee. Where any part of Firm's compensation is based in part on the unrealized appreciation of securities or instruments for which market quotations are not readily available, Firm shall disclose how such securities or instruments will be valued and the extent to which the valuation will be determined independently. To the extent Firm values any such securities or instruments it has a conflict of interest as Firm will receive higher management fees and Performance Fees if it gives such securities and instruments a higher valuation. Firm does not represent that the amount of the Performance Fees or the manner of calculating the Performance Fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The Performance Fees charged by Firm may be higher or lower

than the Performance Fees charged by other investment advisers for the same or similar services.

Firm may receive increased compensation with regard to unrealized appreciation as well as realized gains in the client's account, depending on the specific time periods and the nature of any preferred returns. Where any part of Firm's compensation is based in part on the unrealized appreciation of securities or instruments for which market quotations are not readily available, Firm shall disclose how such securities or instruments will be valued and the extent to which the valuation will be determined independently.

In addition, in the event that Firm manages an account from which it collects Performance Fees and also manages at the same time an account from which it does not collect fees other than Performance Fees, such as management fees, Firm has an incentive to favor accounts for which it receives the Performance Fee because it will receive a greater profit from the accounts which are charged Performance Fees. Therefore, Firm has an incentive to allocate investments that are expected to be more profitable to accounts from which it collects Performance Fees, on the one hand, and that are riskier on the other hand, since in both scenarios, Firm may receive greater fees if the investment generates a positive return.

- Item 7. Types of Clients:** All clients qualify as an accredited investor under the Securities Act and a qualified client under the Advisers Act. The minimum initial investment is \$1,000,000, but this may be waived by the Firm. The minimum size of additional contributions is \$500,000, but this may also be waived by the Firm.
- Item 8. Methods of Analysis, Investment Strategies and Risk of Loss:** The General partner's investment ideas are normally generated from a wide variety of sources including industry contacts, other asset managers, research analysts, trade and financial publications, trade shows, investment conferences, and stock screens. Company analyses will begin with review of public filings (10-Ks, 10-Qs, 8-Ks, 13-Gs, etc.) and relevant research analyst reports. The analytical focus will generally be on a company's ability to generate free cash flow, defined as operating cash flow less interest expense, taxes and dividends paid, working capital investment and capital expenditures necessary to maintain the business. The General Partner will analyze a company's historical free cash flow generation as well as its potential to generate free cash flow. The General Partner believes that free cash flow is a critical factor because companies that generate free cash flow have numerous options for uses of that cash which could enhance

shareholder value, including for growth through acquisition or investment, stock repurchases, or dividends. Additionally, companies that generate free cash flow are better positioned to withstand economic downturns and adverse business conditions. Stock price valuation will be assessed from a variety of standpoints in addition to the criteria noted above, including sales and earnings history and outlook, comparison with competing and related companies, and general investor sentiment.

Once an investment opportunity is determined to be attractive as a stand-alone investment, the General Partner will evaluate the effect of adding that investment to the Partnership's portfolio. In doing so, the General Partner will seek to minimize the market-related portfolio volatility as well as the risk of a capital loss.

The General Partner will continually monitor the Partnership's positions to ensure that the investment thesis behind each is intact. The General Partner believes that continual monitoring of positions is critical to a successful investment program. In effect, a buy, hold, or sell decision is being made on each position on a daily basis. Each position must be evaluated utilizing the latest available information. Public filings, company conference calls, and research analyst reports are quite useful, but additional information must be sought out on a continual basis. The General Partner believes that obtaining this information from industry contacts such as customers, suppliers and competitors of a company is often the critical factor in achieving above average returns in the Partnership. The General Partner will also monitor trading prices so that profits can be taken as trading and intrinsic values converge or losses can be minimized in the event of a significant shift in an investment's fundamental premise. The General Partner will further monitor investment positions in view of the portfolio as a whole in order to manage risk.

Although the General Partner does not take an active role in the affairs of the companies in which the Partnership has a position, it will be the policy of the Partnership to take such steps as are necessary to protect its economic interests. The General Partner, however, reserves the option to accept a role on the board of directors of any company in which the Partnership holds securities, if the opportunity presents itself.

The development of a trading strategy is a continuous process and the Partnership's trading strategy and methods may therefore be modified from time to time. The Partnership's trading methods are confidential and the descriptions of them in this Memorandum are not exhaustive. The Partnership's trading strategies may differ from those used by the General Partner and its affiliates with respect to other accounts they

manage. Trading decisions require the exercise of judgment by the General Partner. The General Partner may, at times, decide not to make certain trades, thereby foregoing participation in price movements which would have yielded profits or avoided losses. Limited Partners cannot be assured that the strategies or methods utilized by the General Partner will result in profitable trading for the Partnership.

The Partnership's investment program entails substantial risks and there can be no assurance that its investment objectives will be achieved. The practices of options trading, short selling, use of leverage and other investment techniques employed by the Partnership can, in certain circumstances, maximize the adverse impact to which the Partnership's investment portfolio may be subject. Investing in securities involves risk of loss that clients should be prepared to bear.

Risks Associated with Firm's Investment Strategies: The General Partner anticipates that most of the Partnership's assets will be invested in publicly traded equity securities. The primary risks to the Firm's investment strategy are as follows:

Market Volatility: The profitability of the investments chosen by Firm substantially depend upon Firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. Firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Risks Associated with Investing in Options and Derivatives: Firm may invest, from time to time, in options and derivative instruments, including buying and writing puts and calls on some of the securities held by client accounts in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities,

currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.

If a put or call option purchased on behalf of a client account by Firm were permitted to expire without being sold or exercised, the client account would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the Firm on behalf of the client account at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the Firm on behalf of the client account at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and may entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the client account of all or a

substantial portion of its assets.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Short Selling: When deemed appropriate by Firm, it will sell securities short on behalf of client accounts. Short selling involves the sale of a security that the client account does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the client account must borrow securities from a third party lender. The client account subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. The client account must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains his right to receive interest and dividends accruing to the securities.

Risks Associated with Leverage: Generally Firm does not use leverage. However, in the event that Firm determines that leverage is appropriate in its investment program, Firm may use borrowed funds and/or investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent Firm purchases securities for a client account with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of an account. If the interest expense on borrowings were to exceed the net return on the investments made with borrowed funds, Firm's use of leverage would result in a lower rate of return than if an account was not leveraged.

If the amount of borrowings outstanding for a client account at any one time is large in relation to such Account's capital, fluctuations in the market value of the account will have disproportionately

large effects in relation to the account's capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the net asset value of a client account to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies borrowed fails to cover their cost to a client account, the net asset value of the account will generally decline faster than would otherwise be the case.

Certain of Firm's trading and investment activities may be subject to U.S. Federal Reserve Board ("FRB") margin requirements, which are computed daily. At present, the FRB's Regulation T permits a broker to lend no more than 50% of the purchase price of "margin stock" bought by a customer. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the customer is made. If the customer does not deposit additional funds with the broker to meet the margin call within a reasonable time, the customer's position may be closed out. In the event of a precipitous drop in the value of the assets managed by Firm, Firm might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, incurring substantial losses. With respect to Firm's trading activities on behalf of a client account, the account, and not Firm, will be subject to margin calls.

Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Clients should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

Risks Associated with Non-Diversification: Firm intends to hold diversified positions, however, Firm is not subject to any formal policies regarding diversification. Firm may sometimes concentrate holdings in industries, geographic regions or companies which, in light of investment considerations, market risks and other factors, Firm believes will provide the best opportunity for attractive risk-adjusted returns. The concentration of assets in a small number of issuers, in any one industry or a small number of industries, or in a single industry would subject clients to a greater degree of risk with respect to the failure of one

or a few investments or with respect to economic variations in relation to such industry or industries.

Item 9. Disciplinary Information: Neither Firm nor any supervised person has been involved in any legal or disciplinary event that is material to a client's or prospective client's evaluation of Firm's advisory business or management.

Item 10. Other Financial Industry Activities and Affiliations: Firm has no financial industry affiliations, such as with a broker-dealer, Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), Commodity Trading Advisor (CTA) or other investment adviser.

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

Firm has policies in place regarding.

(A) **Code of Ethics:** Firm's ethics policy is based upon the premise that all Firm personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service. All personnel are required to (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of Firm; and (3) observe Firm's personal trading policies so as to avoid "front-running" and other conflicts of interests between Firm and its Clients.

(B) **Participation or Interest in Client Transactions:** Firm recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and Firm requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, Firm believes that if investment goals are similar for clients and for employees of Firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, Firm has adopted a set of procedures whereby all buy or sell transactions must be executed first for the Partnership and fully completed before any transactions can be effected by its officers, directors and employees (hereafter, "Employees") for their personal accounts. For purposes of the policy, an Employee's "personal account" generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including Firm's client accounts which the Employee controls and in which

the Employee or a member of his/her household has a direct or indirect beneficial interest.

Associated persons of Firm may recommend to clients the purchase or sale of investment products in which it or a related person may have some financial interest, including but not limited to, the receipt of compensation.

Additionally, the Code of Ethics sets forth Firm's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that Firm and each of its Employees has to each of its clients. The Code of Ethics is circulated at least annually to all Employees, and each Employee, at least annually must certify in writing that he or she has received and followed the Code of Ethics and any amendments thereto.

- (C) **Aggregation of Orders:** Transactions implemented by Firm for accounts may be effected independently or on an aggregated basis. Firm anticipates that frequently it will decide to purchase or sell the same securities for several clients at approximately the same time. Firm will aggregate orders when it believes aggregation may prove advantageous to clients. When Firm aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and execution cost and will be allocated among Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When Firm aggregates client orders for the purchase or sale of securities, including securities in which its associated person(s) may invest, Firm will do so in a fair and equitable manner. It should be noted that Firm does not receive any additional compensation or remuneration as a result of aggregation.
- (D) **Allocation of Trades:** Firm only manages the Partnership so it is not necessary to allocate trades amongst accounts.
- (E) **Other Activities of Firm and its Affiliates:** Neither Firm, nor any affiliate or employee, is required to manage client accounts as its sole and exclusive function. Each of them may engage in other

business activities, including competing ventures and/or other unrelated employment. In addition to managing client accounts, Firm, and its respective affiliates or employees may provide investment advice to other parties and may manage other accounts in the future.

- (F) **Trade Error Policy:** Firm has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, Firm will use reasonable efforts to correct the error. If the error cannot be corrected, Firm does not intend to make any adjustment, regardless of whether the error works to the benefit or detriment of the Partnership. Firm will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.
- (G) **Privacy Policy:** Firm has adopted a privacy policy that explains the manner in which Firm collects, utilizes and maintains nonpublic personal information about clients, as required under federal legislation.

Collection of Information and Disclosure of Nonpublic Personal Information: To provide clients with superior service, Firm may collect several types of nonpublic personal information about clients, including:

- Information from forms that clients may fill out, such as subscription forms, questionnaires and other information provided by clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications;
- Information clients may give orally;
- Information about transactions within Firm, including account balances, investments and withdrawals;
- Information about the amount clients have invested, such as initial investment and any additions to and withdrawals from an investment in the Partnership; and
- Information about any bank accounts clients may use for transfers to or from managed accounts.

Firm does not sell or rent client information. Firm uses this information to conduct business with its clients; to develop or enhance its products and services; to understand the financial needs of its clients so that Firm can provide such clients with quality products and superior service; and to protect and administer its clients' records, accounts and funds. Firm does not disclose nonpublic personal information about its clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, Firm may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of Firm; this may include attorneys, accountants, auditors and other professionals. Firm may also share information in connection with the servicing or processing of Partnership transactions;
- To affiliated companies in order to provide clients with ongoing personal advice and assistance with respect to the products and services clients have purchased through Firm and to introduce clients to other products and services that may be of value to such clients;
- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of a client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the client.

Protection of Information:

Firm's policy is to require that all employees, financial professionals and companies providing services on its behalf keep client information confidential.

Firm maintains safeguards that comply with federal standards to protect client information. Firm restricts access to the personal and account information of clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom Firm shares client information must agree to follow appropriate standards of security and confidentiality. Firm's privacy policy applies to both current and former clients.

Firm may disclose nonpublic personal information about a former client to the same extent as for a current client.

Item 12. Brokerage Practices:

The factors that Firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation are described below:

“Soft Dollar” Policy: The General Partner may be offered non-monetary soft dollar benefits by broker/dealers that it may engage to execute securities transactions on behalf of the Partnership. These benefits may take the form of research products and services including research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other products and services (e.g., quotation equipment and computer costs and expenses) providing lawful and appropriate assistance to the General Partner in the performance of its investment decision-making responsibilities. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

Currently, the Partnership’s trades are executed almost exclusively via Bloomberg and the Firm receives a rebate of a portion of its Bloomberg costs. This is the only soft dollar arrangement that has ever been in place for the Firm.

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of Firm or its affiliates creates a conflict of interest between Firm and clients because the clients pay for such products and services that are not exclusively for the benefit of clients and that may be primarily or exclusively for the benefit of Firm. To the extent that Firm is able to acquire these products and services without expending its own resources (including management fees paid by clients), Firm's use of soft-dollars would tend to increase Firm's profitability. In addition, the availability of these non-monetary benefits may influence Firm to select one broker rather than another to perform services for clients. Firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on a client’s interest in receiving the most favorable execution. Moreover, Firm may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers

in return for soft dollar benefits. In the event that Firm uses soft dollar benefits, Firm will use such benefits to service all client accounts rather than only those accounts that paid for the benefits.

Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce clients to Firm, provided that any such fee or commission will be paid solely by Firm or its affiliates and no portion thereof will be paid by clients.

- (B) **Brokerage for Client Referrals:** Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce clients to Firm, provided that any such fee or commission will be paid solely by Firm or its affiliates and no portion thereof will be paid by clients. To date, this form of transaction has not occurred. However, in the event such a transaction did occur, Firm may have an incentive to select or recommend a broker based on Firm's interest in receiving client referrals rather than on clients' interest in receiving most favorable execution. Because such referrals, if any, are likely to benefit Firm but will provide an insignificant (if any) benefit to clients, Firm will have a conflict of interest with clients when allocating client brokerage business to a broker who has referred investors. To prevent client brokerage commissions from being used to pay referral fees, Firm will not allocate client brokerage business to a referring broker unless Firm determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to clients.
- (C) **Directed Brokerage:** Firm does not currently direct brokerage business to brokers who refer prospective business to Firm.

Item 13. Review of Accounts:

- (A) The Partnership investments managed by Firm are reviewed on a daily basis by Peter McMillan, to assure conformity with client objectives and guidelines. In addition, all accounts are reviewed in light of emerging trends and developments as well as market volatility. Separate account clients are responsible for keeping Firm informed as to any changes in their personal financial condition. Firm cannot make any material changes to a client's portfolio if it is not informed of the client's particular developments.

- (B) Limited partner capital accounts are reviewed quarterly by Peter McMillan. Clients may be contacted periodically by Advisor to discuss the management and performance of their Account.
- (C) Reports showing performance are sent to clients quarterly by Firm. In addition realized gains/losses, interest and dividends earned are reported to clients annually. Each investor in the Partnership also will receive the following: (i) annual financial statements of the Partnership, audited by an independent certified public accounting firm; (ii) in the discretion of Firm or an affiliate of Firm, a periodic letter and/or report discussing the results of the accounts; (iii) copies of such investor's Schedule K-1 to the Partnership's tax returns; and (iv) other reports as determined by Firm or an affiliate of Firm in its sole discretion.

Item 14. Client Referrals and Other Compensation:

- (A) Firm does not receive, from any non-client, any economic benefit associated with advising clients.
- (B) Firm may use independent third party solicitors to refer clients and/or investors to the Partnership and pay a portion of its advisory fees to such solicitors, in accordance with the Advisers Act. Firm may engage underwriters, brokers, dealers or finders to assist in the offering of interests in the Partnership. Except for commissions on brokerage transactions (which will be paid by clients), Firm will pay (and will not charge clients) fees and commissions that may be payable to any such brokers or finders for assisting in the offering or sale of interests in the Partnership.
- (C) **Custody:** Firm maintains client funds and securities at a qualified custodian. As stated above in Item 13, Review of Accounts, Firm will send quarterly account statements directly to clients which clients should carefully review.

Item 15. Investment Discretion: Firm has discretionary investment authority over client assets that are managed by Firm.

Item 16. Voting Client Securities – Proxy Policy:

- (A) Firm monitors corporate actions of those securities it has purchased on behalf of its clients. Proxy votes will generally be submitted electronically but may be submitted by mail. Clients can obtain information on how the proxies were voted and a detailed description of Firm's policies and procedures regarding

proxy voting by requesting such information from Peter McMillan.

Firm understands and appreciates the importance of proxy voting. To the extent that Firm has discretion to vote the proxies of its advisory clients, Firm will vote any such proxies in the best interests of clients and in accordance with the policies and procedures outlined below.

In evaluating how to vote a proxy, Firm will first determine whether there is a conflict of interest related to the proxy in question between Firm and its clients. This examination will include (but will not be limited to) an evaluation of whether Firm (or any affiliate of Firm has any relationship with the company (or an affiliate of the company) to which the proxy relates outside an investment in such company by a client of Firm. If a conflict is identified and deemed “material” by Firm, Firm will determine whether voting in accordance with these proxy voting guidelines is in the best interests of affected clients (which may include utilizing an independent third party to vote such proxies). With respect to material conflicts, Firm will determine whether it is appropriate to disclose the conflict to affected clients and limited partners and give clients and limited partners the opportunity to vote the proxies in question themselves, if applicable.

Item 17. Financial Information:

- (A) Firm solicits prepayment of Management Fees on a quarterly basis from the Partnership.
- (B) Because Firm has discretionary authority over and/or custody of client funds or securities, Firm has disclosed, as follows, any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients: None.

Item 18. Requirements for State-Registered Advisers: Not Applicable.