

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Genesis Capital LLC. If you have any questions about the contents of this brochure, please contact us at 253-853-4900 or blarson@scg-llc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Genesis Capital LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 126909.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 03/31/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new 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 business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Genesis Capital LLC is a SEC-registered investment adviser with its principal place of business located in Washington. Genesis Capital LLC began conducting business in 2004.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- N. Gary Price, Managing Member & CEO
- Ronald J Robertson, Member & President

Genesis Capital LLC provides investment advice to private investment funds

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Genesis Capital, LLC (the "Adviser") seeks to provide investment advisory services on a discretionary basis to clients. These products are generally intended for commingled investment vehicles, institutional investors and other sophisticated investors. Currently, the Adviser provides investment advisory services to five clients, Genesis Strategic Investors, L.P., Genesis Strategic Investors (QP), L.P., Genesis Strategic Investors Offshore, Ltd., Genesis Special Opportunity, L.P., and Genesis Special Opportunity (QP), L.P. (individually a "Fund" and collectively the "Funds"), which are private investment funds that are offered to high net worth, financially sophisticated individual and institutional investors. The Funds are "fund of funds" which will provide investors the opportunity to participate through one investment in a diversified portfolio of hedge funds, other private investment funds and similar accounts sponsored by investment managers within and outside the United States.

The Genesis Strategic Investors, L.P., Genesis Strategic Investors (QP), L.P., and Genesis Strategic Investors Offshore, Ltd. funds invest with various investment managers that utilize a diverse set of alternative investment strategies, including long/short equity, relative value, event driven, and tactical trading. The objective of these funds is to generate positive absolute returns with less risk and volatility than traditional markets. The funds' investment strategy will target capital appreciation with an emphasis on capital preservation.

The Genesis Special Opportunity, L.P., and Genesis Special Opportunity (QP), L.P. funds invest with various investment managers that utilize a diverse set of traditional and alternative investment strategies. The objective of the Partnership is to generate relative out performance to equities as compared to the S&P 500 Index while maintaining a lesser degree of volatility. The Partnership's investment strategy targets diverse tactical investment in the global securities markets incorporating hedging strategies to mediate risk.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the

following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

AMOUNT OF MANAGED ASSETS

As of 12/31/2010, we were actively managing \$137,634,072 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The basic fee schedule of the Adviser for advisory accounts is as follows: Adviser receives management fees based on net assets under management as follows: a) for Genesis Strategic Investors, L.P., Genesis Strategic Investors (QP), L.P., and Genesis Strategic Investors Offshore, Ltd., 1.5% annually and an incentive allocation of up to 10% of the quarterly profit, if any, charged to each client subject to a loss carryforward provision, and b) for Genesis Special Opportunity, L.P., and Genesis Special Opportunity (QP), L.P., 1.0% annually and an incentive allocation of up to 10% of the quarterly profit, if any, charged to each client subject to a loss carryforward provision.

Management fees are paid quarterly in advance, based on beginning net assets of a Fund on the first day of each quarter and will be adjusted for contributions made during the quarter. Performance allocations are paid quarterly. The management fee and performance allocation may vary. Adviser may offer lesser or different fee schedules to clients based on a variety of factors, including the nature of an investment and investor, length of relationship with the investor, and other factors. The performance allocation arrangements are in compliance with Rule 205-3 under the Investment Advisers Act of 1940.

GENERAL INFORMATION

Termination of the Advisory Relationship: Redemption rights allow for quarterly redemptions under certain terms, as set forth in the Funds' Offering Memoranda (collectively the "OMs"). The management fee will be prorated for any period that is less than a full quarter.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by the Partnerships, including, but not limited to, legal, accounting (including outsourced accounting), auditing and other professional expenses, organization expenses, investment expenses such as commissions, research expenses (including research-related travel), interest on margin accounts and other loans, custodial fees, fees paid to portfolio managers, the pro rata share of the expenses of any investment entities or accounts in which the Partnership may invest, and other expenses related to the purchase, sale or transmittal of Partnership assets.

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

PERFORMANCE-BASED FEES

As we disclosed in Item 5 of this Brochure, our firm accepts a performance-based fee from the client. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the client. To qualify for a performance-based fee arrangement, a client (or Fund investor, as applicable) must either demonstrate a net worth of at least \$1,500,000 or must have at least \$750,000 under management immediately after entering into a management agreement with us.

Clients should be aware that performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser; accordingly, we take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and employees to earn more compensation from advisory clients who pay performance-based fees;
2. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
3. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to that client's needs and circumstances;
4. We have implemented policies and procedures for fair and consistent allocation of investment opportunities among all client accounts;

5. We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment;
6. We periodically review trading frequency and portfolio turnover rates to identify possible patterns of “window dressing,” “portfolio churning,” or any intent to manipulate trading to boost performance near the reporting period; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients and equitable treatment of all clients, regardless of the fee arrangement.

The client must understand the performance-based fee method of compensation and its risks prior to entering into a management contract with us.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF RULE 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.

Item 7 Types of Clients

Genesis Capital LIC provides advisory services to pooled investment vehicles (e.g. hedge funds).

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Methods of Analysis, Sources of Information and Investment Strategies

A. Adviser's security analysis methods:

Since the Adviser is engaged primarily in monitoring and analyzing investment managers, their performance and strategies, the data gained from general methods of securities analysis is not necessarily indicative of the potential value added by such managers to the Funds, and, therefore, such methods are not exclusively relied upon. Instead, the Adviser seeks to understand the strategies and approaches of such investment managers by

interviewing them, examining available records (including, but not limited to, audited financial statements, offering memoranda, schedules listing actual holdings and past performance records), and reviewing and corroborating their professional records.

B. Main sources of information applicant uses:

The adviser utilizes financial data bases, newspapers, magazines, books, directories and other available industry publications, as well as word of mouth from discussions with current and prospective managers, brokers, investment bankers and other investment professionals, and third party providers, such as accountants and attorneys, to help understand investment strategies, and to learn more about potential investment managers. The Adviser may meet with prospective investment managers, request their records and attempt to independently corroborate the information received, in order to reach conclusions as to the investment manager's reputation, risk profile, value added, consistency and resources (i.e. personnel, systems and size characteristics).

C. Investment strategies used:

The Adviser recommends to the Funds various investment managers, which are engaged in a wide range of alternative investment strategies. These include long/short equity, long/biased equity or long only equity, event driven, relative value, and tactical trading strategies. Please see the Funds' OMs for more information on these strategies. In implementing these strategies, the investment managers may use a variety of financial instruments and may employ leverage.

INVESTMENT STRATEGIES

The selected investment managers use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. Investment managers may purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, investment managers may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before decisions are made to sell.

Short-term purchases. When utilizing this strategy, investment managers may purchase securities with the idea of selling them within a relatively short time (typically a year or less). This is done in an attempt to take advantage of conditions that investment managers believe will soon result in a price swing in the securities purchased.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; investment managers are then left with the option of having a long-term investment in a

security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. Investment managers may purchase securities with the idea of selling them very quickly (typically within 30 days or less). This is done in an attempt to take advantage of predictions of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, investment managers are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or
- the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short sales. investment managers may borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, investment managers buy the same stock and return the shares to the original owner. They engage in short selling based on our determination that the stock will go down in price after they have borrowed the shares. If the investment managers are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

Short selling results in some unique risks:

1. *Losses can be infinite.* A short sale loses when the stock price rises, and a stock is not limited (at least, theoretically) in how high it can go. For example, if you short 100 shares at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.
2. *Short squeezes can wring out profits.* As stock prices increase, short seller losses also increase as sellers rush to buy the stock to cover their positions. This increase in demand, in turn, further drives the prices up.
3. *Timing.* Even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company is overvalued, it could conceivably take some time for the price to come down; during which you are vulnerable to interest, margin calls, etc.
4. *Inflation.* History has shown that over the long term, most stocks appreciate. Even if a

company barely improves over time, inflation should drive its share price up somewhat. In fact, short selling may not be appropriate in times of inflation for that very reason, as prices may adjust upwards regardless of the value of the stock.

Option writing. Investment managers may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call provides the right to buy an asset at a certain price within a specific period of time. Investment managers will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put provides the holder the right to sell an asset at a certain price within a specific period of time. Investment managers will buy a put if they have determined that the price of the stock will fall before the option expires.

Investment managers will use options to speculate on the possibility of a sharp price swing. They will also use options to "hedge" a purchase of the underlying security; in other words, use an option purchase to limit the potential upside and downside of a security they have purchased for the portfolio.

They use "covered calls", in which they sell an option on security owned in the fund. In this strategy, the fund receives a fee for making the option available, and the person purchasing the option has the right to buy the security at an agreed-upon price.

They use a "spreading strategy", in which they purchase two or more option contracts for the same underlying security. This effectively puts them on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if they want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Management personnel of Genesis Capital LLC are separately licensed as registered representatives of RP Capital LLC, an affiliated broker dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While Genesis Capital LLC and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Gary Price and Ronald Robertson, Managing Members of our firm, are the Managing Members for both Strategic Capital Group LLC ("SCG") and Strategic Capital Alternatives LLC ("SCA"), SEC registered investment advisers. Gary Price is separately licensed as an investment adviser representative of SCG and SCA. In that capacity, Mr. Price and Mr. Robertson also provide advisory services through SCG and SCA. The advisory services delivered by SCG and SCA are distinct from those provided by our firm and are provided for separate compensation. SCG's and SCA's advisory services may be recommended to our clients for whom it is appropriate. There are no referral fee arrangements between our firm and SCG and SCA. However, a conflict of interest is created by this arrangement to the extent that this individual recommends that a Genesis Capital LLC client open a SCG and SCA account through which this individual will receive additional compensation. No Genesis Capital LLC client is obligated to use SCG and SCA or its services. Clients choosing to implement Genesis Capital LLC's recommendations through SCG's and SCA's advisory services should refer to SCG and SCA's Firm Brochure or other disclosure document for details regarding that firm's services and fees.

As this affiliation with SCG and SCA may present potential conflicts of interest, we have established written policies and procedures for insider trading that prohibit Mr. Price, and any other member, officer or employee of our firm, from buying, selling or recommending the securities of companies bought, sold or recommended by SCG and SCA where the decision is substantially derived, in whole or in part, by reason of access to the recommendations of SCG and SCA to its clients.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Clients should be aware that the receipt of additional compensation by Genesis Capital LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Genesis Capital LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment

- products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Genesis Capital LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Genesis Capital LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to blarson@scg-llc.com, or by calling us at 253-853-4900.

The principals of Genesis Capital LLC are also the principals of Genesis General Partners LLC. The General Partner has designated Genesis Capital LLC as having primary responsibility for investment management and administrative matters, such as accounting tax and periodic reporting, pertaining to the Fund. Genesis Capital LLC and our members,

officers and employees will devote to the Fund as much time as we deem necessary and appropriate to manage the Fund's business. Genesis Capital LLC and our affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Fund and/or may involve substantial time and resources of our firm and our affiliates. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of our management personnel and employees will not be devoted exclusively to the business of the Fund, but could be allocated between the business of the Fund and other of our business activities and those of our affiliates.

Investments in the Fund may be recommended to advisory clients for whom a partnership investment may be more suitable than would a separate advisory account managed by our firm. Clients who invest in the Fund are not charged any additional advisory fees other than the advisory fee allocated to the limited partners of the Fund.

The Fund is not required to register as an investment company under the Investment Company Act of 1940 in reliance upon an exemption available to funds whose securities are not publicly offered. Genesis Capital LLC manages the Fund on a discretionary basis in accordance with the terms and conditions of the Fund's offering and organizational documents.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell

any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as representatives of a broker-dealer and investment adviser representatives of another registered investment adviser. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

Genesis Capital LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits. However, to the extent an investment manager uses commissions to obtain items which would otherwise be an expense of investment manager, such use of commissions in effect constitutes additional compensation to the investment manager. Certain of the foregoing commission arrangements are outside the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended, which permits the use of commissions or "soft dollars" to obtain "research and execution" services.

It is expected that the investment managers (and to the extent that the Adviser invests directly in securities on behalf of a Fund, the Adviser) will allocate brokerage business generally on the basis of best available execution and in consideration of such brokers' provision of brokerage and research services. Except for any investments made directly in securities by the Adviser on behalf of the Funds, the Funds and the Adviser have no direct

control over the selection of brokers.

In selecting brokers or dealers to execute transactions, an investment manager may not necessarily solicit competitive bids and may not have an obligation to seek the lowest available commission cost. It may not be the practice of such investment manager to negotiate "execution only" commission rates, and thus the investment vehicle managed by such investment manager may be deemed to be paying for research and other services provided by the broker which are included in the commission rate.

In selecting brokers and negotiating commission rates, the Adviser will take into account the financial stability and reputation of brokerage firms, the brokerage, research and related execution services provided by such brokers, and referrals of investors (consistent with best execution), although the Funds may not, in any particular instance, be the direct or indirect beneficiary of the research or related services provided.

Item 13 Review of Accounts

A member of the Adviser will review all positions in each account on a daily basis. Generally, transactions will be initiated after a thorough review of the account, upon a new investment decision, or upon the realization that an existing investment is not meeting expectations.

Each investor will receive quarterly account statements and annual audited financial statements in connection with their account.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is Genesis Capital LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in

conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we make investments in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Genesis Capital LLC does not allow the investor to determine which securities and the amounts of securities that are bought or sold in a client's account.

Item 17 Voting Client Securities

The Adviser does not intend to directly effect transactions in equity securities on behalf of the Funds, and, therefore, generally the Adviser does not receive or vote proxies on equity securities on behalf of the Funds.

On occasion, we will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

To obtain a copy of the Adviser's Proxy Voting Policy, or to find out how a specific vote was cast, please contact Michael Dubinsky (Chief Financial Officer) by e-mail at md@genesis-llc.com or telephone at (253) 853-4900.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of

"Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that is deemed to have custody, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Genesis Capital LLC has no additional financial circumstances to report.

Genesis Capital LLC has not been the subject of a bankruptcy petition at any time during the past ten years.