

BROCHURE OF

APIS CAPITAL ADVISORS, LLC

A Delaware Limited Liability Company registered with the Securities and Exchange Commission as an Investment Adviser (CRD # 131200)

Apis Capital Advisors, LLC
53 Forest Avenue, Suite 103
Old Greenwich, Connecticut 06870

Telephone: (203) 409-6300

Facsimile: (203) 344-9176

WWW.APISCAPITAL.COM

THIS BROCHURE (“BROCHURE”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF APIS CAPITAL ADVISORS, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (203) 409-6300 OR KYLE@APISCAPITAL.COM.

NONE OF THE U.S. SECURITIES AND EXCHANGE COMMISSION, THE STATE OF DELAWARE, OR 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 APIS CAPITAL ADVISORS, LLC ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

The date of this Brochure is

March 28, 2011

The delivery of this 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 documents containing information about Firm.

Item 2.

Material Changes

Steven Werber voluntarily resigned from Apis Capital Advisors, LLC on August 31, 2010. Accordingly, Mr. Werber is no longer a part-owner, a managing member, the Chief Executive Officer or the Chief Compliance Officer of Firm. Mr. Kyle Hartley now acts as the Chief Compliance Officer and the Chief Financial Officer.

Closed Funds:

Apis Capital (QP), LP ceased trading on or about September 30, 2010.

Newly Opened Funds:

Hapa Fund, LP launched on or about March 10, 2010.

Parsimony Global Healthcare Fund, LP is expected to launch in April 2010.

Item 3. TABLE OF CONTENTS

Part 2A – Firm Brochure

| Item number | Page number |
|---|--------------------|
| Item 1 – Cover Page | 1 |
| Item 2 – Material Changes..... | 2 |
| Item 3 – Table of Contents..... | 3 |
| Item 4 – Advisory Business | 4 |
| Item 5 – Fees and Compensation..... | 5 |
| Item 6 – Performance-Based Fees and Side-by-Side Management..... | 10 |
| Item 7 – Types of Clients..... | 12 |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss... | 12 |
| Item 9 – Disciplinary Information..... | 25 |
| Item 10 – Other Financial Industry Activities and Affiliations..... | 27 |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... | 28 |
| Item 12 – Brokerage Practices..... | 32 |
| Item 13 – Review of Accounts..... | 38 |
| Item 14 – Client Referrals and Other Compensation..... | 38 |
| Item 15 – Custody..... | 39 |
| Item 16 – Investment Discretion..... | 39 |
| Item 17 – Voting Client Securities..... | 39 |
| Item 18 – Financial Information | 40 |
| Item 19 – Requirements for State-Registered Advisers..... | 40 |

I. Part 2A – FIRM BROCHURE

Item 4. Advisory Business:

- (A) **Operational and Organizational Information:** Apis Capital Advisors, LLC (“Firm” or “General Partner”), is a Delaware limited liability company that is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Firm is one of several affiliated entities. These affiliated entities include the following private investment funds: (i) Apis Capital, LP, a Delaware limited partnership; (ii) Apis Offshore Capital, Ltd., a Cayman Islands exempted company; (iii) Apis Global Deep Value, LP, a Delaware limited partnership; (iv) Apis Global Deep Value Offshore, Ltd., a Cayman Islands exempted company; (v) Parsimony Global Healthcare Fund, LP, a Delaware limited partnership, and; (vi) Hapa Fund, LP, a Delaware limited partnership (each of the foregoing, a “Fund” and collectively, the “Funds”). As stated on the cover page of this Brochure, registration as an investment adviser does not imply a certain level of skill or training. Firm has been in business since March 2004. The principal owners of Firm and their percentage ownership interests are as follows: Mr. Daniel Barker (54%); Eric Almeraz (23%); and Kamran Moghtaderi (23%).
- (B) **Types of Advisory Services Offered:** Firm provides investment management services to the Funds on a discretionary basis. The Funds operate as pooled investment vehicles and attempt to provide diversification, management expertise and other advantages to investors. The advisory services include, among other things, providing advice regarding asset allocation and the selection of investments. The Funds’ investment objective is to seek consistent positive absolute returns by taking long and/or short positions in stocks that are undervalued or overvalued compared to their peers, in a range of market capitalizations, with an emphasis on small and mid-capitalization equity securities, on a global basis. Firm seeks to limit downside by selecting companies that in Firm’s view are trading at a discount to intrinsic value. No assurance can be given, however, that the Funds will achieve their investment objectives, and investment results may vary substantially over time and from period to period. **Note:** For purposes of this Brochure, “Client” may include pooled investment vehicles (i.e., Funds and other investment vehicles), and investors in any such vehicles (also called “Investors”), as well as other clients of Firm. The terms Client(s), Fund(s) and Investor(s) may be used interchangeably, as the context may require.

Firm does not hold itself out as specializing in a particular type of advisory service. Please review Firm's investment guidelines, specified below under "Client Investment Guidelines and Parameters."

- (C) **Client Investment Guidelines and Parameters:** As stated above, Firm provides discretionary investment advisory services to the Funds, all of which primarily invest in globally traded public equity securities. However, Firm may take long and short positions and trade in a wide variety of securities and financial instruments, domestic and foreign, of all kinds and descriptions, whether publicly traded or privately placed, including, but not limited to, common and preferred stocks, bonds and other debt securities, convertible securities, limited partnership interests, mutual fund shares, options, warrants, commodities, futures, derivatives (including swaps, forward contracts and structured instruments), currencies, monetary instruments and cash and cash equivalents. Firm also may utilize derivative securities (primarily options).

Investors may have the option, in certain cases, to purchase investment products that Firm recommends through other brokers or agents that are not affiliated with Firm and/or not used by Firm.

- (D) **Wrap Fee Programs:** Firm does not participate in wrap fee programs.

- (E) **Client Assets Under Management:** (*rounded to the nearest \$100,000*)

Discretionary: \$72,100,000 as of March 1, 2011.

Non-discretionary: \$0 as of March 1, 2011.

Item 5. Fees and Compensation:

- (A) **Generally:** All fees are individually negotiated. Circumstances considered when negotiating fees may include, without limitation, customary market rates, specialized guidelines, and other performance or incentive allocation or fee arrangements with the Client.

Management fees for pooled investment vehicles are calculated based on a percentage of the value of the assets under management (referred to herein as "Management Fees").

In addition, Firm may collect incentive allocations and/or fees based on the performance of investments. Please refer to Item 6, below, for a more detailed description of performance or incentive allocations and/or fees and related conflicts of interest.

- (B) **Payment of Fees:** Management fees are billed periodically, generally quarterly in advance, as specified in the applicable investment management agreement.

In consideration for the provision of advisory services, Firm shall receive Management Fee equal to 0.375% per quarter (approximately 1.5% annually) of each Investor's share of the relevant Fund's net asset value, with the exception of Apis Global Deep Value Offshore, Ltd., Apis Global Deep Value, LP, and Parsimony Global Healthcare Fund, LP, as detailed below.

In consideration for its services to Apis Global Deep Value Offshore, Ltd., Firm shall receive a Management Fee, payable quarterly in advance as follows: with respect to each Series of Class A Shares and each Series of Class B Shares, equal to 0.375% of the net asset value of the outstanding Shares of such Series (approximately 1.5% annually); with respect to each Series of Class C Shares and each Series of Class D Shares, equal to 0.50% of the net asset value of the outstanding Shares of such Series (approximately 2.0% annually); and with respect to each Series of Special Situation Class Shares, equal to 0.25% of the net asset value of the outstanding Shares of such Series (approximately 1.0% annually).

In consideration for its services to Apis Global Deep Value, LP, Firm shall receive a Management Fee equal to 0.50% quarterly (approximately 2.0% annually) of each Investor's share of Apis Global Deep Value, LP's net asset value. However, the Management Fee received by Firm with respect to Investors that had invested in Apis Global Deep Value, LP prior to June 1, 2007 will be 0.375% quarterly (approximately 1.5% annually).

In consideration for its services to Parsimony Global Healthcare Fund, LP, Firm shall receive a Management Fee equal to 0.50% quarterly (approximately 2.0% annually) of each Investor's share of Parsimony Global Healthcare Fund, LP's net asset value.

To the extent Firm values any securities and/or instruments in each Fund's portfolio, it has a conflict of interest in that Firm will receive higher Management Fees if it gives such securities and/or instruments a higher valuation.

Management Fees shall be payable with respect to any portion of an Investor's investment allocated to any side pocket account. With respect to any Investor who has withdrawn from the relevant Fund, with the exception of any interests in a side pocket account, the Management Fees shall accrue until, and be paid at, the time of the reallocation of the Investor's investment from the side pocket account.

- (C) **Additional Fees and Expenses:** The Funds shall pay or reimburse Firm for all organizational and initial offering expenses of the Funds, including, but not limited to, legal and accounting fees, printing and mailing expenses and government filing fees (including blue sky filing fees). A Fund may amortize organizational and initial offering expenses over a period of 60 months from the date such Fund commenced operations because it believes such treatment is more equitable than expensing the entire amount of such expenses in such Fund's first year of operation, as required by U.S. generally accepted accounting principles ("GAAP").

The Funds shall pay or reimburse Firm for the following expenses: (A) all expenses incurred in connection with the ongoing offer and sale of interests in a Fund ("Interests"), including, but not limited to, marketing expenses, printing of offering memoranda and exhibits, documentation of performance and the admission of Investors; (B) all operating expenses of the Funds such as tax preparation fees, governmental fees and taxes, insurance, administrator fees, communications with Investors, and ongoing legal, accounting, auditing, bookkeeping, consulting and other professional fees and expenses; (C) all Fund trading and investment related costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges) and research related expenses including: travel; airfare; car rental; taxi fare; hotel accommodations and meals; (D) all fees to protect or preserve any investment held by the Funds, as determined in good faith by Firm; and (E) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the Funds. Firm, in its sole discretion, may from time to time pay for any of the foregoing Fund expenses or waive the right to reimbursement for any such expenses, as well as terminate any such voluntary payment or waiver of reimbursement.

- (D) **Fees Paid in Advance:** Management Fees are payable quarterly in advance.

Termination of Services:

Apis Capital, LP, and Apis Offshore Capital, Ltd.: Investors may withdraw a minimum of \$50,000 as of the last day of any quarter (the “Withdrawal Date”), upon at least 30 days’ prior written notice to Firm, subject to a 12 month lock-up period (i.e., no withdrawals within 12 months of initial investment), and in such other amounts and at such other times as Firm may determine in its sole discretion. The 12-month lock-up period is a “hard lock,” and accordingly there are no provisions for early withdrawal from these Funds.

Parsimony Global Healthcare Fund, LP: Investors may withdraw a minimum of \$50,000 as of the Withdrawal Date upon at least 30 days’ prior written notice to Firm, and in such other amounts and at such other times as Firm may determine in its sole discretion. Withdrawals by an Investor of any capital in its capital account within the first 12 months after such Investor’s investment of such capital shall be subject to an early withdrawal fee (“Early Withdrawal Fee”) payable to the relevant Fund equal to 5% of the Investor’s Interests that are withdrawn. If an Investor purchases Interests on multiple dates, each tranche of Interests will be tracked separately for purposes of the Early Withdrawal Fee and withdrawals will be deemed made from Interests purchased on the earliest date. Firm may agree to waive or establish a different Early Withdrawal Fee for any investor.

Hapa Fund, LP: Investors may withdraw a minimum of \$50,000 as of the Withdrawal Date upon one-quarter’s prior written notice to Firm, and in such other amounts and at such other times as Firm may determine in its sole discretion. The Hapa Fund, LP does not have a lock-up period, and Investors are not subject to an Early Withdrawal Fee.

Apis Global Deep Value, LP, and Apis Global Deep Value Offshore, Ltd.: Investors who initially invested on or after June 1, 2007: Investors may withdraw a minimum of \$50,000 as of the Withdrawal Date, upon at least 90 days’ prior written notice to Firm, and in such other amounts and at such other times as Firm may determine in its sole discretion. Withdrawals by an Investor of any capital in its capital account within the first 12 months after such Investor’s investment of such capital shall be subject to an Early Withdrawal Fee payable to the relevant Fund equal to 7% of

the net asset value of the Investor's Interests that are withdrawn. If an Investor purchases Interests on multiple dates, each tranche of Interests will be tracked separately for purposes of the Early Withdrawal Fee and withdrawals will be deemed made from Interests purchased on the earliest date. Firm may agree to waive or establish a different Early Withdrawal Fee for any Investor.

Investors who invested prior to June 1, 2007: Each capital contribution by an Investor who invested prior to June 1, 2007 (a "Previous Investor," and including such Previous Investor's capital contributions made before June 1, 2007 as well as contributions made on or after June 1, 2007) is subject to a 12 month hard lock-up period during which such capital may not be withdrawn from the relevant Fund. Subsequent to the lock-up period, Investors may withdraw a minimum of \$50,000 as of the Withdrawal Date, upon at least 30 days' prior written notice to Firm.

Generally: Unless Firm consents, partial withdrawals may not be made if they would reduce an Investor's capital account balance below \$50,000. All withdrawals shall be deemed made prior to the commencement of the following quarter. Firm believes (but cannot guarantee) that the assets of the relevant Fund will be invested in a manner that would allow Firm to satisfy withdrawal requests. The relevant Fund has the right to pay cash or in-kind, or a combination of both, to an investor that makes a withdrawal from such Investor's capital account. If Firm in its discretion permits an Investor to withdraw capital other than on a Withdrawal Date, Firm may impose an additional administrative fee to cover the legal, accounting, administrative, brokerage, and any other costs and expenses associated with such withdrawal. Firm may agree to waive any applicable early withdrawal fee for any Investor.

(E) **Additional Compensation of Supervised Persons:** No supervised person accepts compensation for the sale of securities or other investment products.

(i) This practice presents a conflict of interest and gives Firm or its supervised persons an incentive to recommend investment products based on the compensation received, rather than on a particular Client's needs. Firm endeavors to disclose herein all conflicts of interest which could impair the rendering of unbiased and objective advice. Lower fees for comparable services may be available from other sources. N/A

- (ii) All Clients have the option to purchase investment products that Firm recommends through other brokers or agents that are not affiliated with Firm and/or not used by Firm. N/A
- (iii) If commissions provide more than 50% of Firm's revenue or compensation, disclose: N/A
- (iv) Firm does/does not reduce advisory fees to offset the commissions and/or markups that it receives, as follows: N/A

Item 6. Performance Based Fees and Side-by-Side Management:

In addition to the Management Fee, Firm is compensated for its investment management services through an incentive allocation and/or fee, also known as a performance-based allocation and/or fee ("Performance Fee"). Under this arrangement, a 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 Fund. 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 equal to 20% of net capital appreciation attained within the Client's account (net of all expenses, including any commissions, etc.). The Performance Fee shall not include any change in the value of a security position held in a side pocket account until such security is reallocated to the capital accounts of participating Clients. 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.

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 to 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 management agreement or other relevant documents. Fees generally are deducted

directly from the Client's account, as specified in the relevant investment 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 among 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 Investment Advisers Act of 1940, as amended ("Advisers Act"), and the Employee Retirement Income Security Act of 1974, as amended. The Performance Fee creates an incentive for Firm to effect transactions in securities that are riskier or more speculative than would be the case in the absence of such an allocation. Since the Performance Fee is calculated on a basis which includes unrealized appreciation of Funds' assets, such allocation or fee may be greater than if it were based solely on realized gains. 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 Performance Fees (and higher Management Fees) if it gives such securities and instruments higher valuations. 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.

In addition, in the event that Firm manages an account from which it collects Performance Fees and also at the same time manages an account from which it does *not* collect Performance Fees, Firm has an incentive to favor accounts from which it receives Performance Fees because it will receive a greater profit from the accounts that 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. Notwithstanding the foregoing, Firm does not favor accounts that pay Performance Fees.

Item 7. Types of Clients:

Firm's Clients are private investment funds whose investors are individuals and institutions. The minimum investment in each Fund is \$500,000, and the minimum subsequent investment in each Fund is \$50,000. In each case, however, Firm has discretion to accept lesser amounts.

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

The following considerations apply to the Funds, as well as to any other Clients of Firm (as applicable and as the context may require).

(A) Methods of Analysis and Investment Strategies:

Firm anticipates that most of the Funds' assets will be invested in publicly traded global equity securities. In carrying out its investment objective, Firm generally focuses on long and short positions of small- and mid-capitalization companies that have a reasonable expectation of producing above average returns. Long position purchases are typically securities that Firm believes to be undervalued, with improving business fundamentals, and short position purchases are typically securities with deteriorating fundamentals that Firm believes to be overvalued. The common characteristics for short selling may include, among other characteristics, a company that is experiencing deteriorating fundamentals, business or market catalysts impacting the company negatively, deteriorating or poor price performance, declining earnings and high valuation relative to expectations in the marketplace. Consistent with Firm's investment philosophy, the Funds are not constrained by diversification requirements or any other limitations as to the types of securities, other investment instruments, industries, sectors, countries or asset classes that may be invested in by the Funds.

Firm's investment strategies may also include options, event-driven investments, private placements and the use of leverage. Firm's investment philosophy is based upon recognizing and capitalizing on emerging global business trends and stock-specific opportunities ahead of the broader market. Firm believes that to invest in companies that operate globally, having a global perspective is essential to the discovery, recognition and understanding of the business impact along global supply chains and emerging secular trends, which are often over-looked and misunderstood by local and regional investment research focused on serving local and regional investment and strategies. Firm's

investment program entails substantial risks, and there can be no assurance that its investment objectives will be achieved. The practices of options and derivatives trading, short selling, use of leverage and other investment techniques can, in certain circumstances, maximize the adverse impact to which the Funds' investment portfolios may be subject.

Investment Strategies and Philosophies

Long Positions: Firm takes into consideration and weighs, among other characteristics, an array of stock-specific and economic factors prior to making an investment. In selecting a company as an investment candidate Firm will employ a detailed fundamental analysis of the company prior to making an investment. Investments are selected for a variety of reasons, which may include: (i) sustainable competitive advantage; (ii) pricing power; (iii) strong financial track record; (iv) high entry barriers; (v) conservative, shareholder-friendly management; (vi) good balance sheet; (vii) strong or rising returns on capital; (viii) capitalization size and liquidity; (ix) local and global supply chain interdependencies; (x) valuation; and (xi) global vs. local research coverage.

Macroeconomic Factors: Firm will analyze various macro risks across countries, industries and sectors, such as economic change (GDP forecasts, consumption, consumer confidence, overall debt levels, growth, inflation, exchange rates and trade), political events (regulatory, policy changes, tax changes and geopolitical risks/conflicts) and market risks (trade/settlement differences and liquidity). Firm has a broad and interconnected network of local contacts across global markets to assist in evaluating these risks. This network consists of, but is not limited to, local consultants, analysts, economists, brokers, and company managements. Firm's primary focus in conducting macroeconomic analysis is not just the absolute levels of such data, but how the data is trending.

Shorting: Firm also intends to sell short individual securities as a means of attempting to reduce risk and increase performance. In similar fashion to taking long positions, Firm takes into consideration and weighs, among other characteristics, an array of stock-specific and economic factors prior to selling short an individual security. Securities are shorted for a variety of reasons, which may include: (i) significant price competition; (ii) secularly declining industries; (iii) substitutable products; (iv) poor cash generation; (v) fraud or aggressive accounting; (vi) poor management (evasive, incompetent, empire-building, etc.); (vii)

excess leverage; (viii) poor or declining returns on capital; and (ix) poor or declining earnings. Firm believes that by focusing on specific companies that are experiencing any one or more of these elements, Firm should be able to identify profitable short sale candidates in most market environments.

Diversification: Although the strategy and asset allocation utilized by Firm is primarily centered on publicly traded global equity securities, Firm will remain flexible in its investment approach in order to place the Funds in the best position to capitalize on opportunities in the financial markets. Firm may employ other strategies and may take advantage of opportunities in diverse asset classes if they meet Firm's standards of investment merit. Accordingly and consistent with Firm's approach, there are no fixed diversification requirements or other limitations as to the types of securities or other instruments, industries, sectors, countries or asset classes that the Funds may be invested in.

Concentration: Firm believes that in order to deliver superior investment results, it may be necessary to concentrate the Funds' portfolios in investments that may produce high absolute returns while at the same time potentially reducing risk to the overall portfolio. Accordingly and consistent with Firm's approach, there are no fixed diversification or individual security concentration requirements or other limitations as to the types of securities or other instruments, industries, sectors, countries or asset classes that the Funds may be invested in.

Event-Driven and Special Situation Investments: The Funds may invest in companies based upon certain situations or events, including (but not limited to) spin-offs, mergers and acquisitions, rights offerings, restructurings and bankruptcies. Firm believes that many such special situations and events carry a high probability of indiscriminate selling or neglect of valuable assets for reasons other than a lack of investment merits.

Occasionally, the Funds may engage in arbitrage transactions that Firm believes represent an exceptional risk/reward opportunity. Risk arbitrage opportunities generally arise during corporate mergers, leverage buyouts or takeovers. Frequently, the stock of the company being acquired will trade at a significant discount to the announced deal price. This discount compensates investors for the time value of money and the risk that the transaction may be canceled. If the discount is significantly greater than Firm's assessment of the underlying risk, the strategy will be implemented. As with options and fixed income securities, Firm

intends to use event-driven investments as a tactical, opportunistic strategy and not as part of the normal investment strategy.

Options and Other Derivative Securities: Firm may utilize derivative securities, primarily options. Firm may purchase and write put and call options that are traded on national securities exchanges or over-the-counter markets, as well as on electronic communications networks. Options can be used in many ways such as to increase market exposure (i.e., for purposes of leverage), to reduce overall market exposure (i.e., for hedging purposes), to increase the portfolios' current income, or to reduce the cost basis of a new position. Firm and the Funds may also utilize certain options, such as various types of index or "market basket" options, in an effort to hedge against certain market related risks, as Firm deems appropriate. Firm believes that the use of options and other derivatives may help reduce risk and enhance investment performance.

Fixed Income Securities: Firm may invest in fixed income securities (e.g., bonds) as part of the strategic operations of the Funds. Firm may take advantage of special investment opportunities in the high yield and convertible segments of the fixed income market. Firm considers these investments equity substitutes, with the expectation of providing both current income and capital appreciation. Firm may also seek opportunities in government issued fixed-income securities, as deemed appropriate.

Private Placements: In addition to investing in publicly traded common equities, the Funds may, in certain cases, invest in privately placed unregistered securities that do not have a readily ascertainable market value or other illiquid securities which may be valued but are not freely transferable (such privately placed and illiquid securities, collectively, "Illiquid Securities"). Investments in Illiquid Securities may be held in a separate side pocket account, at the discretion of Firm, and only those Investors who are Investors at the time the investment is made may participate in the investment.

Leverage: Firm may increase its use of leverage by various means, which may include: increasing the number and extent of its "long" positions by borrowing (e.g., by purchasing securities on margin) and entering into short sales. Moreover, the amount of any borrowing used to create leverage may also be limited by regulations imposed by the Federal Reserve Board ("FRB") and by the availability and cost of credit. Firm does not anticipate that the Funds will incur indebtedness in connection with their operations,

other than interest on margin debts or deposits with respect to securities positions.

Other Investments: Firm may also invest some of the Funds' assets in short-term United States government obligations, certificates of deposit, commercial paper and other money market instruments, including repurchase agreements with respect to such obligations, to enable the Funds to make investments quickly and to serve as collateral with respect to certain investments. If Firm believes that a defensive position is appropriate because of expected economic or business conditions or the outlook for security prices, or Firm determines that opportunities for investing are unattractive, then a greater percentage of assets may be invested in such obligations. The Funds may also engage in securities lending activities. From time to time, in the sole discretion of Firm, cash balances in the Funds' brokerage accounts may be placed in a money market fund.

Investment Process Described

Set forth below are several analyses that Firm may employ in carrying out its investment strategy.

Quantitative and Qualitative Screens: Firm employs quantitative and qualitative screens to identify potential global long investments and short sale ideas. Quantitative screens are used to focus on and identify valuation, operating trends and technical factors of an underlying security, its industry and competitors. Firm tends to utilize independent resources for quantitative screens, such as Bloomberg. Qualitative screens are used to identify security-specific opportunities based on sector trends, supply chains, competitors, and geographic anomalies (finding trends in a particular market that will carry over into other markets). Firm's primary sources for qualitative screens include: company visits; a network of industry contacts developed through years of experience in the global investment management business; independent industry specialists and consultants; industry conferences; local brokers with a niche expertise; and internal research.

Identifying Investments: In general, Firm conducts proprietary original research to identify and evaluate potential investments. Firm's investment ideas may also be generated from a wide variety of sources, including industry contacts, trade and financial publications, trade shows, investment conferences and stock screens. Firm intends to utilize a fundamental bottom-up

investment research process to analyze companies on an individual basis. Firm will also consider industry and sector themes utilizing the same process. Company-specific analyses begin with review of public filings and relevant research analyst reports. Particular attention is paid to changing industry structures and the relative competitive positioning of the company being researched relative to the anticipated industry changes. In addition, Firm's fundamental research will focus on a company's balance sheet, cash position, gross and net working capital, tangible book value, its valuation relative to its growth and to that of its industry, the historical trading patterns of the company's securities, and forecasts and projections for the relevant industry group. In addition to the previously cited fundamental research criteria, stock price valuation will be assessed from a variety of perspectives, including sales and earnings history and outlook, historical and estimated cash flows, historical and projected earnings growth, comparison with competing and related companies and investor expectations.

Relationship with Portfolio Companies: Although Firm does not anticipate taking an active role in the affairs of the companies in which a Fund has a position, it will be Firm's policy to take such steps as are necessary to protect its economic interests. Firm reserves the option to accept a role on the board of directors of any company in which a Fund holds securities, if the opportunity presents itself.

Portfolio Evaluation: Once an investment opportunity is determined to be attractive, Firm will evaluate the effect of adding that investment to the Funds' portfolios. In doing so, Firm will seek to maximize the impact the investment can have on the Funds' portfolios, given sizing, and to minimize the market-related portfolio volatility, as well as the risk of capital loss.

Investment and Portfolio Monitoring: Firm will monitor the Funds' positions to ensure that the investment thesis behind each is intact. Firm will also monitor trading prices so that profits can be taken as trading and intrinsic values converge or so that losses can be minimized in the event of a significant shift in an investment's fundamental premise. Firm will also conduct on-going monitoring of investment positions relative to the aggregate portfolio in order to manage overall portfolio risk.

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

(B) **Risks Associated with Firm's Investment Strategies:**

The following risk factors apply to the Funds, as well as to any other clients of Firm (as applicable and as the context may require).

Investments in Undervalued Securities and Other Assets:

Firm's investment program contemplates that a substantial portion of the Funds' portfolios will be invested in securities and other assets that Firm believes to be deeply undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from Firm's investments may not adequately compensate for the business and financial risks assumed. Such investments include bonds and other fixed income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities. It is likely that a major economic recession could severely disrupt the market for such investments and severely impact their value. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such obligations to repay principal and pay interest thereon and increase the incidence of default for such securities. Additionally, there can be no assurance that other investors will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, the Funds may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of the Funds' assets would be committed to the investments made, thus possibly preventing Firm from investing in other opportunities.

Small Companies: Firm may invest a significant portion of the Funds' assets in small and/or unseasoned companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, Firm may have to sell portfolio holdings at discounts from quoted prices or may have to

make a series of small sales over an extended period of time due to the trading volume of smaller company securities.

Volatility of Currency Prices: The profitability of the Funds' portfolios depends, in part, upon Firm correctly assessing the future price movements of currencies. However, price movements of currencies are difficult to predict accurately because they are influenced by, among other things: changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. Firm cannot guarantee that it will be successful in accurately predicting currency price and interest rate movements.

Risks Associated with Investing in Options and Derivatives: The Funds may invest in derivative instruments. The prices of many derivative instruments, including many options and swaps, are highly volatile. Price movements of options contracts and payments pursuant to swap agreements are 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 value of options and swap agreements also depends upon the price of the securities or currencies underlying them. The Funds are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities. Accordingly, options on highly volatile securities may be more expensive than options on other securities.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument 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 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 by a Fund were permitted to expire without being sold or exercised, such Fund 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 security caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying security would then be sold to such Fund 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 security caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying security would then be sold by such Fund 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 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 security or currency above the exercise price of the option. This risk is enhanced if the security being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The securities necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing securities to satisfy the exercise of the call option can itself cause the price of the securities to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option by a Fund could result in a loss 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.

Market or Interest Rate Risk: Firm may, from time to time, invest Clients’ assets in fixed income securities. The prices of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If a Fund holds a fixed income security to maturity, the change in its price before maturity may have little impact on such Fund’s performance; however, if such Fund has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to such Fund.

Call Option Risk: Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a

provision that allows the issuer to “call” (i.e., redeem) all or part of the issue before the bond’s maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Funds are exposed to reinvestment rate risk – the Funds will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Maturity Risk: In certain situations, the Funds may purchase bonds of a given maturity as an alternative to other bonds of a different maturity. Ordinarily, under these circumstances, the Funds will make an adjustment to account for the interest rate risk differential in the two bonds. This adjustment, however, makes an assumption about how the interest rates at different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.

Short Selling: When deemed appropriate by Firm, it will sell securities short on behalf of the Funds. Short selling involves the sale of securities that the Funds do 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 the purchaser, the Funds must borrow securities from a third party lender. The Funds subsequently return the borrowed securities to the lender by delivering to the lender the securities they receive in the transaction or by purchasing securities in the open market. The Funds 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 the right to receive interest and dividends accruing to the securities.

Risks Associated with Exchange Traded Funds: Exchange-traded funds (“ETFs”) are, by definition, portfolios of securities. Certain events can trigger sharp and sometimes adverse price movements in ETFs that are not related to movements of the

market in general, including, but not limited to, surprise dividends, changes to regular dividend amounts, announcements of rights offerings and possible surprise revisions to net asset values.

Risks Associated with Leverage: When Firm believes that the use of 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 the Funds with borrowed funds, 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 leverage were not used.

If the amount of borrowings outstanding for the Funds at any one time is large in relation to the Funds' capital, fluctuations in the market value of the account will have disproportionately large effects in relation to that 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 the Funds 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 the Funds, the net asset value of the Funds 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. 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 the Funds, the Funds, 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.

High Growth Industry-Related Risks: Firm will have investments in the securities of high growth companies. These securities may be very volatile. In addition, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital or be in the developmental stages of their businesses, have limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate. A company that has had a high growth rate in the past may trade at a high multiple. If the rate of growth slows the price of the company's stock may suffer a substantial decline.

Sector Risk; Concentrated Positions: Firm is not limited by concentration restrictions and therefore capital may be heavily concentrated in a limited number of investments. As a result of this lack of diversification, Firm's results may be more volatile than a broadly diversified portfolio and would be subjected to a greater degree of risk with respect to the poor performance of one or a few issuers or with respect to economic downturns. Moreover, to the extent Firm's investments are concentrated in a limited number of industries, Firm may be subject to considerable directional risk since Firm's investments may be highly correlated with one another. Firm may not hedge against such risks.

Hedging Transactions: Firm may utilize financial instruments such as forward contracts, options and interest rate swaps, caps and floors to seek to hedge against fluctuations in the relative values of its portfolio positions resulting from changes in currency exchange rates, certain changes in the equity markets and changes in interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same

developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for Firm to hedge against a fluctuation at a price sufficient to protect Firm's assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying securities. Accordingly options on highly volatile securities may be more expensive than options on other securities and of limited utility in hedging against fluctuations in those securities. Firm is not obligated to establish hedges for portfolio positions and may choose not to do so. To the extent that hedging transactions are effected, their success is dependent on Firm's ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

New Issues: Firm may invest in securities of companies in initial public offerings of any equity security ("new issues") or shortly thereafter. Special risks associated with these securities may include a limited number of interests available for trading, unseasoned trading, lack of investor knowledge of the company, and a limited operating history. These factors may contribute to substantial price volatility for the interests of these companies. The limited number of interests available for trading in some initial public offerings may make it more difficult for Firm to buy or sell significant amounts of interests without an unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

(C) **Security-Specific Risks:**

Securities of Healthcare-Related Companies; Concentration of investments: The Parsimony Global Healthcare Fund, LP ("Parsimony") will invest primarily in companies engaged in the healthcare industry. As a consequence, Parsimony's results will be more affected by industry specific events and trends than would be the case with a more diversified fund that invested across a variety of industries or sectors. Healthcare-related companies are generally subject to greater governmental regulation than other companies at both the state and federal levels. Changes in governmental policies may have a material effect on the demand

for or costs of certain products and services. A healthcare-related company generally must receive government approval before introducing new drugs and medical devices or procedures. This process may delay the introduction of these products and services to the marketplace, resulting in increased development costs, delayed cost-recovery and loss of competitive advantage to the extent that rival companies have developed competing products or procedures, adversely affecting the company's revenues and profitability. Government action is unpredictable and often inconsistent, increasing the risks associated with this process. Certain healthcare-related companies depend on the exclusive rights or patents for the products they develop and distribute. Patents have a limited duration and, upon expiration, other companies may market substantially similar "generic" products which cost less to develop and may cause the original developer of the product to lose market share or reduce the price charged for the product, resulting in lower profits for the original developer. Also, because the products and services of healthcare-related companies affect the health and well-being of many individuals, these companies are especially susceptible to product liability lawsuits. The share price of a healthcare-related company can drop dramatically not only as a reaction to an adverse judicial ruling, but also from the adverse publicity accompanying threatened litigation.

Item 9. Disciplinary Information:

Legal and disciplinary events in which Firm or any supervised persons have been involved that are material to a Client's or prospective client's evaluation of Firm's advisory business or management are listed below (see response after each event).

- (A) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which Firm or a management person:
 - (i) Was convicted of, or pled guilty or nolo contendere ("no contest") to: (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses. N/A
 - (ii) Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property,

bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses. **N/A**

(iii) Was found to have been involved in a violation of an investment-related statute or regulation. **N/A**

(iv) Was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order. **N/A**

(B) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which Firm or a management person:

(i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**

(ii) Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:

a. Denying, suspending, or revoking the authorization of Firm or a management person to act in an investment-related business. **N/A**

b. Barring or suspending Firm's or a management person's association with an investment-related business. **N/A**

c. Otherwise significantly limiting Firm's or a management person's investment-related activities. **N/A**

d. Imposing a civil money penalty of more than \$2,500 on Firm or a management person. **N/A**

(C) A self-regulatory organization (SRO) proceeding in which Firm or a management person:

(i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**

- (ii) Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. **N/A**

Item 10. Other Financial Industry Activities and Affiliations:

- (A) Firm has no existing or pending affiliations with a broker-dealer or a registered representative of a broker-dealer.
- (B) Firm has no existing or pending affiliations with a futures commission merchant ("FCM"), commodity pool operator ("CPO"), or commodity trading advisor ("CTA").
- (C) Firm and/or its management persons have a relationship or arrangement that is material to its advisory business or to its Clients with any related person as discussed below:
 - (i) Broker-dealer, municipal securities dealer, or government securities dealer or broker. **N/A**
 - (ii) Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund). **N/A** except as discussed at Item 4.(B).
 - (iii) Other investment adviser or financial planner: **N/A**
 - (iv) Futures commission merchant, commodity pool operator, or commodity trading advisor. **N/A**
 - (v) Banking or thrift institution. **N/A**
 - (vi) Accountant or accounting firm. **N/A**
 - (vii) Lawyer or law firm. **N/A**
 - (viii) Insurance company or agency. **N/A**
 - (ix) Pension consultant. **N/A**
 - (x) Real estate broker or dealer. **N/A**

(xi) Sponsor or syndicate of limited partnerships. N/A

(D) Firm recommends or selects other investment advisers for Clients:
N/A

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

A copy of the code of ethics (“Code of Ethics”) is available upon request to Clients or prospective clients.

(A) The Code of Ethics is based upon the premise that all Firm personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory services. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of Firm; (3) observe Firm’s personal trading policies so as to avoid “front-running” and other conflicts of interests between Firm and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by Firm’s Chief Compliance Officer, and that personnel who violate the Code of Ethics are subject to sanctions by Firm, up to and including termination.

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. Firm and its related persons may invest their personal funds in the Funds. Therefore, in order to address conflicts of interest, Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors and employees (hereafter in this Item 11, “Employees”) for their personal accounts. In order to monitor compliance with its personal trading policy, Firm has adopted a quarterly securities transaction reporting system for all of its Employees. 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. Records will be maintained of all securities bought and sold by associated persons and related persons.

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.

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 affiliates or Employees may provide investment advice to other parties and may manage other accounts in the future.

Trade Errors: 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. 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

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 effective 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 Funds; and
- Information about any bank accounts Clients may use for transfers to or from separately managed accounts (if applicable).

Disclosure of Nonpublic Personal Information:

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 Fund 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 Client 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.

Changes to Privacy Policy:

Firm may make changes to its privacy policy in the future. Firm will not make any change affecting any Client without first sending to that Client a revised privacy policy describing the change.

Opt Out Provision:

Please be advised that Clients have the right to "opt out" of the information sharing as set forth above.

- (B) If Firm or a related person recommends to Clients, or buys or sells for Client accounts, securities in which Firm or a related person has a material financial interest, describe Firm's practice and discuss the conflicts of interest it presents. Describe generally how Firm addresses conflicts that arise. *Please refer to Item 11.(A).*

- (C) If Firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that Firm or a related person recommends to Clients, describe Firm's practice and discuss the conflicts of interest this presents and generally how Firm addresses the conflicts that arise in connection with personal trading. *Please refer to Item 11.(A).*
- (D) If Firm or a related person recommends securities to Clients, or buys or sells securities for Client accounts, at or about the same time that Firm or a related person buys or sells the same securities for Firm's own (or the related person's own) account, describe Firm's practice and discuss the conflicts of interest it presents. Describe generally how Firm addresses conflicts that arise. *Please refer to Item 11.(A).*

Item 12. Brokerage Practices:

The considerations described below apply to the Funds, as well as to any other clients of Firm (as applicable and as the context may require).

- (A) **Selection of Broker-Dealers:** Securities transactions for the Funds are executed through brokers selected by Firm in its sole discretion and without the consent of the Funds. In placing portfolio transactions, Firm will seek to obtain the best execution for the Funds, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected and the efficiency of error resolution, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; special execution capabilities; clearance; settlement; reputation; on-line pricing; block trading and block positioning capabilities; willingness to execute related or unrelated difficult transactions in the future; order of call; on-line access to computerized data regarding clients' accounts; performance measurement data; the quality, comprehensiveness and frequency of available research and related services considered to be of value; the availability of stocks to borrow for short trades; and the competitiveness of commission rates in comparison with other brokers satisfying Firm's other selection criteria.
 - (i) **"Soft Dollar" Policy:** In addition to research services, Firm may be offered other non-monetary benefits by broker-dealers that it may engage to execute securities transactions on behalf of clients. These benefits may take the form of special execution capabilities, clearance,

settlement, online pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, online access to computerized data regarding clients' accounts, performance measurement data, consultations, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, general reports, efficiency of execution and error resolution, quotation equipment and services, the availability of stocks to borrow for short trades, custody, travel, record keeping and similar services. These other services may also include payment of all or a portion of the clients' or Firm's or its affiliates' administrative costs and expenses of operation, such as office rent; office equipment and supplies; utilities (e.g., electricity, gas, oil, water); taxes; storage; employee salaries, including, but not limited to, bonuses, contingent salaries, and any other form of compensation determined by Firm, and benefits (including medical, dental and worker's compensation insurance); temporary help; recruiting services; newswire and quotation equipment and services (e.g., Reuters, Bloomberg, Bridge, First Call); data processing charges; periodical subscription fees (e.g., The Financial Times, The Wall Street Journal, The New York Times, Investors Business Daily); computer equipment used for brokerage or research purposes (e.g., computers, computer hardware, software, hard drives, monitors, PDAs, LANs) and related technical support, repair and maintenance; television and cable services used for research purposes; telephone and facsimile charges, equipment and installation and maintenance costs (e.g., telephones, telephone lease, telephone and facsimile lines, cellular phones used for business purposes, telephone call recording equipment, headsets, cordless phones, speaker phones, telephone switchboards and monthly and long distance telephone charges); facsimile machines and facsimile rental and repair costs; account record-keeping and related clerical services; printing services; messenger services; postal and courier expenses; car service; expenses incurred in connection with investigating and researching issuers of securities and attending research conferences (e.g., airfare, car rentals, taxi fares, conference fees and related expenses, hotel accommodations and meals); economic consulting services; placement fees and other marketing costs; legal and accounting fees; and other reasonable expenses as determined by Firm.

The foregoing benefits may be available for use by Firm in connection with transactions in which clients will not participate. The availability of these benefits may influence Firm to select one broker rather than another to perform services for clients. Nevertheless, Firm will attempt to assure either that the fees and costs for services provided to clients by brokers offering these benefits are not materially greater than they would be if the services were performed by equally capable brokers not offering such services or that clients also will benefit from the services.

Firm has the option to use “soft dollars” generated by clients to pay for the research and non-research related services described above. The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment adviser’s clients. 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). Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides a “safe harbor” to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment adviser in the performance of investment decision-making responsibilities. In the event Firm elects to use its soft dollars for payment of all or a portion of Firm’s or its affiliates’ administrative costs and expenses of operation such as office rent, office equipment and supplies, utilities, employee benefits and salaries, newswire and quotation equipment, data processing charges, periodical subscription fees, computer equipment, telephone and facsimile charges and equipment costs, record-keeping services, consulting fees, issuer due diligence expenses, placement fees and other marketing costs, and legal and accounting fees, as more fully described above, such uses of soft dollars are not within the safe harbor afforded by Section 28(e) of the Exchange Act.

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.

The offering documents for Funds specifically authorize these practices to the fullest extent permitted by law.

- a. When Firm uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Firm receives a benefit because Firm does not have to produce or pay for the research, products or services. *Please refer to this Item 12.(A)(i) above.*
- b. Firm may have an incentive to select or recommend a broker-dealer based on Firm's interest in receiving the research or other products or services, rather than on Clients' interest in receiving most favorable execution. *Please refer to this Item 12.(A)(i) above.*
- c. 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 (known as paying-up). *Please refer to this Item 12.(A)(i) above.*

- d. Firm may use soft dollar benefits to service all Clients or only those Clients that paid for the benefits. Firm may or may not seek to allocate soft dollar benefits to Clients proportionately to the soft dollar credits the accounts generate. *Please refer to this Item 12.(A)(i) above.*
- e. The types of products and services Firm or any related persons acquired with Client brokerage commissions (or markups or markdowns) within Firm's last fiscal year were: *Please refer to this Item 12.(A)(i) above.*
- f. The procedures Firm used during its last fiscal year to direct transactions to a particular broker-dealer in return for soft dollar benefits Firm received were: *Please refer to this Item 12.(A)(i) above.*

(ii) **Brokerage for Client Referrals:**

- a. 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. As a result, 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 a Client. 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.
- b. The procedures used during the last fiscal year to direct Client transactions to a particular broker-

dealer in return for Client referrals were: *Please refer to Item 12.(A)(i).*

(iii) **Directed Brokerage:**

- a. Firm does not recommend, request, or require a Client to direct Firm to execute transactions through a specified broker-dealer.
- b. Firm does not permit a Client to direct Firm to execute transactions through a specified broker-dealer.

(B) **Aggregation of Orders:** Firm may aggregate purchase and sale orders of securities held by a Fund with similar orders being made simultaneously for other Funds or accounts if, in Firm's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Funds based on an evaluation that the Funds will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of securities for a Fund will be affected simultaneously with the purchase or sale of like securities for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such instances, Firm will average the price of all units of such security bought or sold by any Fund and/or other accounts in any single trading day (the "Average Price"). The price that such Fund and/or other accounts pay or receive for such securities bought or sold in the same trading day will be the Average Price multiplied by the number of units of such security bought or sold by such Fund and/or other accounts, respectively. In rare circumstances, Firm may elect to use the actual purchase or sale price instead of the Average Price if it determines, in its sole discretion, that using the Average Price would be unfairly prejudicial to such Fund and/or other accounts. An individual trade may be effected at a price that is higher than would have been the case without the aggregation of orders. Firm, however, believes that the relationship as a whole will result in a net benefit to the Funds.

Allocation of Trades: Firm may, at times, determine that certain securities will be suitable for acquisition by the Funds and by other accounts managed by Firm, possibly including Firm's own accounts or accounts of an affiliate. If that occurs, and Firm is not able to acquire the desired aggregate amount of such securities on

terms and conditions which Firm deems advisable, Firm will endeavor in good faith to allocate the limited amount of such securities acquired among the various accounts for which Firm considers them suitable. Firm may make such allocations among the accounts in any manner that it considers fair under the circumstances, including, but not limited to, allocations based on relative account sizes, the degree of risk involved in the securities acquired, and the extent to which a position in such securities is consistent with the investment policies and strategies of the various accounts involved.

Item 13. Review of Accounts:

- (A) All Funds managed by Firm are reviewed, at least on a monthly basis, by any one or more of Daniel J. Barker, Kamran Moghtaderi, or Eric Almeraz, for conformity with Client objectives and guidelines.
- (B) The calendar is the main triggering factor of a review of an account. More frequent reviews may also be triggered by, among other things, Client capital injections and/or withdrawals. From an investment management perspective, triggers for review include emerging trends and developments, market volatility, economic factors, financial results of a portfolio company, analyst commentary, and news.
- (C) Reports showing transactions and positions are sent to the Funds daily by qualified custodians. Monthly account statements showing performance (unaudited) are sent to Investors by the administrator. In addition, the Funds' realized gains/losses, interest and dividends earned are reported to Clients annually. Each Investor in a Fund also will receive the following: (i) annual financial statements of a Fund, 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 a Fund's tax returns (this applies to Investors in onshore Funds only); and (iv) other reports, as determined by Firm or an affiliate of Firm in its sole discretion. Additionally, within 120 days of year-end, Investors receive GAAP-compliant audited financial statements.

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 to Firm 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 a Fund, or in finding other Clients. 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 a Fund, or in finding other Clients.

Item 15. Custody:

Firm maintains Client funds and securities at qualified custodians. As indicated above at Item 13.(C), the qualified custodians send monthly account statements directly to the Funds. The administrator sends monthly account statements to Investors. Clients should carefully review the account statements. The Funds send GAAP-compliant audited financial statements to their investors within 120 days of their fiscal year-end.

Item 16. Investment Discretion:

Firm has discretionary investment authority over Client assets that are managed by Firm. Please also refer to Items 4(C) and 8(A).

Item 17. Voting Client Securities:

- (A) Firm uses reasonable judgment to vote proxies in a manner it determines is in the best interest of the Funds and their Investors. Firm monitors corporate actions of those securities it has purchased on behalf of its Investors. Receipt of proxy materials is logged into a proxy control sheet. Proxy votes will generally be submitted electronically or by mail. A record of the proxy votes cast will be made and retained by Firm. Investors 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 the Chief Compliance Officer.

In some foreign markets, where proxy voting demands fee payment for agent services, Firm will balance the cost and benefit of proxy voting and may give up the proxy voting if the cost associated with it is greater than the benefits from voting.

- (B) Firm has authority to vote Client securities. Please refer to Item 17.(A).

Item 18. Financial Information:

- (A) Firm solicits prepayment of Management Fees on a quarterly basis from the Funds. Firm does not solicit prepayment of more than \$1,200 in fees per Client six months or more in advance, and thus has not provided a balance sheet according to the specifications of 17 CFR Parts 275 and 279.
- (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.**
- (C) Firm has not been the subject of a bankruptcy petition during the past ten years.

Item 19. Requirements for State-Registered Advisers: N/A

II. Part 2B – BROCHURE SUPPLEMENT

Item 1.

Cover page for:

Daniel J. Barker, CFA

Apis Capital Advisors, LLC
(CRD # 131200)

53 Forest Avenue, Suite 103
Old Greenwich, Connecticut 06870

Main Telephone: (203) 409-6300
Direct Telephone: (203) 409-6302
Facsimile: (203) 344-9176
www.apiscapital.com

This supplement provides information about Mr. Barker that supplements the Apis Capital Advisors, LLC brochure (the “Brochure”). You should have received a copy of the Brochure. Please contact Kyle Hartley at (203) 409-6310 if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Barker is available on the SEC’s website at www.adviserinfo.sec.gov.

The date of this Brochure is

March 28, 2011

Item 2. Educational Background and Business Experience:

Daniel J. Barker, born 1967

Mr. Barker is a Managing Member of Apis Capital Advisors, LLC (“Firm”). He also currently serves as the Chief Investment Officer of Firm.

Education Background:

Mr. Barker holds a Chartered Financial Analyst designation. Mr. Barker received a Bachelor of Business Administration in Finance from the University of Wisconsin, located in Madison, Wisconsin, in December 1989.

Business Background:

Daniel J. Barker, CFA, is a Managing Member and co-founder of Firm, and serves as the portfolio manager for the Funds, and as the Chief Investment Officer for Firm. Mr. Barker co-founded Firm in March 2004. Prior thereto, between November 1999 and the formation of Firm, Mr. Barker was a managing director at J&W Seligman & Company, New York, NY, where he was a portfolio manager for the Seligman Emerging Markets Fund (symbol, SHEMX). Mr. Barker also assumed management responsibilities of the Global Smaller Companies Fund (symbol, SHGAX) in April 2003. Prior to working at J&W Seligman & Company, Mr. Barker worked for General Electric Investments (“GE Investments”) in Stamford, Connecticut and in London, England, from January 1994 to October 1999. While at GE Investments, Mr. Barker was a Vice President and worked as a European equity analyst and a portfolio manager for emerging markets and international small-capitalization funds. From May 1992 to December 1993, Mr. Barker also worked for GE Information Services in Rockville, Maryland, where he worked on a range of process-improvement projects related to billing and customer support. From January 1990 to April 1992, Mr. Barker worked for the GE Financial Management Program in Rockville, Maryland and in London, England, where he served in various rotational assignments throughout the company, supporting sales, marketing and finance departments.

Item 3. Disciplinary Information:

Mr. Barker (the “supervised person”) has not been involved with any legal or disciplinary events material to a client’s or prospective client’s evaluation of the supervised person.

Item 4. Other Business Activities:

- (A) The supervised person is not actively engaged in any investment-related business or occupation, including being registered, or having an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), or commodity trading advisor (“CTA”), nor is the supervised person an associated person of an FCM, CPO, or CTA.
- (B) The supervised person is not actively engaged in any business or occupation for compensation not discussed in response to Item 4.(A), above, that provides a substantial source of the supervised person’s income or involves a substantial amount of the supervised person’s time.

Item 5. Additional Compensation:

The supervised person does not receive, from any non-Client, any economic benefit associated with advising Clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, Client referrals or new accounts (not including salary)).

Item 6. Supervision:

The Chief Compliance Officer of Firm, Kyle Hartley, supervises the supervised person, including monitoring advice that the supervised person provides to clients. Mr. Hartley can be reached at (203) 409-6310.

Item 7. Requirements for State-Registered Advisers: N/A

Item 1.

Cover page for:

Kamran Moghtaderi

Apis Capital Advisors, LLC
(CRD # 131200)

53 Forest Avenue, Suite 103
Old Greenwich, Connecticut 06870

Main Telephone: (203) 409-6300
Direct Telephone: (203) 409-6304
Facsimile: (203) 344-9176
www.apiscapital.com

This supplement provides information about Mr. Moghtaderi that supplements the Apis Capital Advisors, LLC brochure (the “Brochure”). You should have received a copy of the Brochure. Please contact Kyle Hartley at (203) 409-6310 if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Moghtaderi is available on the SEC’s website at www.adviserinfo.sec.gov.

The date of this Brochure is

March 28, 2011

Item 2. Educational Background and Business Experience:

Kamran Moghtaderi, born 1974

Mr. Moghtaderi is a member of Firm. He currently serves as an analyst for Firm.

Education Background:

Kamran Moghtaderi received a Masters in Business Administration Degree from Harvard University, Cambridge, Massachusetts, in June 2002, and a Bachelor of Science Degree in Biology from the University of California at Los Angeles, Los Angeles, California in June 1997.

Business Background:

Mr. Moghtaderi has been a member of and an analyst for Firm since 2004. Prior to joining Firm, commencing in July 2002, Mr. Moghtaderi worked at J&W Seligman & Company, New York, NY, as a global research analyst covering the life sciences sectors, including pharmaceuticals, biotechnology, devices and healthcare services. Mr. Moghtaderi supported two portfolio managers with global portfolios in emerging markets and large- and small-capitalization equities. From September 1999 to October 2000, Mr. Moghtaderi worked for Gambro Group in Lund, Sweden, and was responsible for an internal restructuring of this company's Solutions Division. From September 1997 to July 1999, prior to working at Gambro Group, Mr. Moghtaderi was a management consultant focusing on strategic planning for AT Kearney in Copenhagen, Denmark.

Item 3. Disciplinary Information:

Mr. Moghtaderi (the "supervised person") has not been involved with any legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person.

Item 4. Other Business Activities:

- (A) The supervised person is not actively engaged in any investment-related business or occupation, including being registered, or having an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), or commodity trading advisor ("CTA"), nor is the supervised person an associated person of an FCM, CPO, or CTA.
- (B) The supervised person is not actively engaged in any business or occupation for compensation not discussed in response to Item

4.(A), above, that provides a substantial source of the supervised person's income or involves a substantial amount of the supervised person's time.

Item 5. Additional Compensation:

The supervised person does not receive, from any non-Client, any economic benefit associated with advising Clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, Client referrals or new accounts (not including salary)).

Item 6. Supervision:

The Managing Member of Firm, Daniel Barker, supervises the supervised person, including monitoring advice that the supervised person provides to clients. Mr. Barker can be reached at (203) 409-6300.

Item 7. Requirements for State-Registered Advisers: N/A

Item 1.

Cover page for:

Kyle M. Hartley

Apis Capital Advisors, LLC
(CRD # 131200)

53 Forest Avenue, Suite 103
Old Greenwich, Connecticut 06870

Direct Telephone: (203) 409-6310

Main Telephone: (203) 409-6300

Facsimile: (203) 344-9176

www.apiscapital.com

This supplement provides information about Mr. Hartley that supplements the Apis Capital Advisors, LLC brochure (the “Brochure”). You should have received a copy of the Brochure. Please contact Mr. Hartley at (203) 409-6310 if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Hartley is available on the SEC’s website at www.adviserinfo.sec.gov.

The date of this Brochure is

March 28, 2011

Item 2. Educational Background and Business Experience:

Kyle M. Hartley, born 1969

Mr. Hartley currently serves as Chief Financial Officer and Chief Compliance Officer of Firm.

Education Background:

Kyle Hartley received his Bachelor of Arts Degree from Dartmouth College in 1991, and his MBA Degree, with Distinction, from the Stern School of Business, New York University in 2000.

Business Background:

Mr. Hartley has been the Chief Financial Officer for Firm since March 2008. Previously, Mr. Hartley was the Director of Client Services for Mercury Partners, a real estate securities investment management firm, and was primarily responsible for managing this firm's client relationships, as well as new business development initiatives.

Prior to joining Mercury Partners in 2006, Mr. Hartley was a partner at Taylor Investment Advisors, where he was responsible for back- and middle-office hedge fund manager due diligence efforts and investment operations, as well as assisting in hedge fund manager identification and sourcing. Prior to joining Taylor Investment Advisors, from February 2002 until May 2004, Mr. Hartley was the Chief Operating Officer of CQ Capital LLC, a long/short equity hedge fund firm, where he managed all of the operations of the management company and its three funds. From July 2000 until February 2002, Mr. Hartley was a Director of Business Development and Marketing at Greenwich Associates, a market research and consulting firm for providers of institutional financial services. From 1996 until 2000, he served as a Vice President in the Investment Banking department of Forum Capital Markets, a privately-held broker-dealer specializing in convertible securities. Mr. Hartley began his career at Clarion Marketing and Communications, a marketing agency, where he earned four promotions to Account Supervisor.

Item 3. Disciplinary Information:

Mr. Hartley (the "supervised person") has not been involved with any legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person.

Item 4. Other Business Activities:

- (A) The supervised person is not actively engaged in any investment-related business or occupation, including being registered, or

having an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), or commodity trading advisor (“CTA”), nor is the supervised person an associated person of an FCM, CPO, or CTA.

- (B) The supervised person is not actively engaged in any business or occupation for compensation not discussed in response to Item 4.(A), above, that provides a substantial source of the supervised person’s income or involves a substantial amount of the supervised person’s time.

Item 5. Additional Compensation:

The supervised person does not receive, from any non-Client, any economic benefit associated with advising Clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, Client referrals or new accounts (not including salary)).

Item 6. Supervision:

The Managing Member of Firm, Daniel Barker, supervises the supervised person, including monitoring advice that the supervised person provides to clients. Mr. Barker can be reached at (203) 409-6300.

Item 7. Requirements for State-Registered Advisers: N/A

Item 1.

Cover page for:

Eric J. C. Almeraz

Apis Capital Advisors, LLC
(CRD # 131200)

53 Forest Avenue, Suite 103
Old Greenwich, Connecticut 06870

Direct Telephone: (203) 409-6305

Main Telephone: (203) 409-6300

Facsimile: (203) 344-9176

www.apiscapital.com

This supplement provides information about Mr. Almeraz that supplements the Apis Capital Advisors, LLC brochure (the “Brochure”). You should have received a copy of the Brochure. Please contact Kyle Hartley at (203) 409-6310 if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Almeraz is available on the SEC’s website at www.adviserinfo.sec.gov.

The date of this Brochure is

March 28, 2011

Item 2. Educational Background and Business Experience:

Eric J. C. Almeraz, born 1975

Mr. Almeraz is a member of Firm. He also currently serves as an analyst for Firm.

Education Background:

Mr. Almeraz holds a Chartered Financial Analyst designation. He received his MBA Degree from Columbia University Business School in 2002, and his B.S. Degree in Accounting and Finance from the Stern School of Business, New York University, in 1997.

Business Background:

Mr. Almeraz has been a member of and an analyst for Firm since 2004. Previously, commencing in July 2002, Mr. Almeraz worked for J&W Seligman & Company, New York, NY, as a global research analyst covering the industrial sector. Mr. Almeraz supported two portfolio managers with global portfolios in emerging markets and large- and small-capitalization equities. From August 1997 to October 2000, he worked for The Capital Group Companies, Inc., New York, NY, as an equity research associate, responsible for industrials, chemicals, and leisure and travel industries. Mr. Almeraz also held a summer internship position at Oaktree Capital, where he was a research associate on information technology and consumer products.

Item 3. Disciplinary Information:

Mr. Almeraz (the “supervised person”) has not been involved with any legal or disciplinary events material to a client’s or prospective client’s evaluation of the supervised person.

Item 4. Other Business Activities:

- (A) The supervised person is not actively engaged in any investment-related business or occupation, including being registered, or having an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), or commodity trading advisor (“CTA”), nor is the supervised person an associated person of an FCM, CPO, or CTA.
- (B) The supervised person is not actively engaged in any business or occupation for compensation not discussed in response to Item 4.(A), above, that provides a substantial source of the supervised

person's income or involves a substantial amount of the supervised person's time.

Item 5. Additional Compensation:

The supervised person does not receive, from any non-Client, any economic benefit associated with advising Clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, Client referrals or new accounts (not including salary)).

Item 6. Supervision:

The Managing Member of Firm, Daniel Barker, supervises the supervised person, including monitoring advice that the supervised person provides to clients. Mr. Barker can be reached at (203) 409-6300.

Item 7. Requirements for State-Registered Advisers: N/A