

Part 2A of Form ADV: Firm Brochure

Item 1 - Cover Page

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This brochure provides information about the qualifications and business practices of TimeCapital Investor Advisory Services Inc. If you have any questions about the contents of this brochure, please contact us at 631-331-1400 or at info@timecapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about TimeCapital Investor Advisory Services Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to TimeCapital Investor Advisory Services Inc. as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.

Item 2 - Material Changes

There has been no material change to this brochure since its last annual update which took place on June 29, 2011.

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Item 4 - Advisory Business

- A. TimeCapital Investor Advisory Services Inc. (“Advisor”) is a New York corporation that was formed in April 1976. We are principally owned by Richard Rohman, Alexander Rohman and Jeffrey Harriton.

Anchor Asset Management Corp., Jayne Management, LLC and Leeward Management LLC (each a “General Partner” and collectively the “General Partners”, and General Partners and Advisor are collectively referred to as “we” or “our”) are affiliates of Advisor that provide investment advice on a discretionary basis to certain private investment funds (Lincoln Associates L.P., Little Bay L.P. and Bay Meadow L.P.) in their capacities as general partner to such funds.

In addition, we are affiliates of a broker-dealer, TimeCapital Securities Corporation (“TCS”), as described in *Item 5, Section E* below. Almost all securities and other transactions for our separately managed accounts are executed through TCS. In addition, to the extent that Advisor or any third party managers manage capital for the private investment funds (the “Underlying S.M.A. Managers”) via separately managed accounts, almost all securities and other transactions for such separately managed accounts are executed through TCS.

Separately Managed Accounts

In connection with the separately managed accounts, we and our affiliates typically receive the following compensation and other consideration from the owner of a managed account or from third parties:

- (1) the annual advisory fee (of up to 3% of assets under management) paid to us by the owner of the account (see *Item 5, Section A*),
- (2) brokerage commissions (which are borne by the owner of the account) paid to TCS in connection with all transactions executed through TCS (see *Item 5, Section E*),
- (3) if the owner of the account directly invests in a hedge fund or other private investment vehicle recommended by us, third party managers pay TCS referral fees (and in certain cases, the owner of the account pays us an additional fee of up to 1% of the assets invested in such hedge fund or other private investment vehicle) (see *Item 10, Section D* and *Item 5, Section A*),
- (4) compensation TCS receives from marking up custodial costs imposed by a third party custodian on the account (see *Item 5, Section E*),
- (5) if the account invests in any certificates of deposit (“CDs”), the issuers of the CDs pay TCS selling concessions (see *Item 5, Section E*), and
- (6) if the account invests in certain money market mutual funds, TCS’s clearing agent pays TCS a distribution fee on such sales (see *Item 5, Section E*).

Private Investment Funds

In connection with the private investment funds, we and our affiliates typically receive the following compensation and other consideration from the private investment funds (and therefore the investors in such funds) or from third parties:

- (1) in the case of Little Bay L.P. and Lincoln Associates L.P., the annual advisory fee of 1.25% paid to the General Partner by the fund, and in the case of Bay Meadow L.P., a fee of \$1,500 per quarter paid to an affiliate of the General Partner (TCS) by the fund to cover administrative costs (see *Item 5, Section A*),
 - (2) if Advisor manages any portion of the private investment funds' capital (as is currently the case with respect to Little Bay L.P.), the annual advisory fee of 1% paid to Advisor by the fund (see *Item 5, Section A*),
 - (3) brokerage commissions (which are borne by the funds and therefore the investors in the funds) paid to TCS in connection with all transactions executed through TCS (see *Item 5, Section E*),
 - (4) referral fees that TCS receives from third party managers with respect to the funds' capital which is allocated to hedge funds or other private investment vehicles managed by such third party managers (see *Item 10, Section D*),
 - (5) compensation TCS receives from marking up custodial costs imposed by a third party custodian on any separately managed accounts managed by Advisor or any other Underlying S.M.A. Managers (see *Item 5, Section E*),
 - (6) if Advisor or any other Underlying S.M.A. Managers invest in any CDs, the issuers of the CDs pay TCS selling concessions (see *Item 5, Section E*), and
 - (7) if Advisor or any other Underlying S.M.A. Managers invest in certain money market mutual funds, TCS's clearing agent pays TCS a distribution fee on such sales (see *Item 5, Section E*).
- B. Advisor provides discretionary investment advice to separately managed accounts and the General Partners provide discretionary investment advice to private investment funds. Certain of our managed account clients are solicited to invest in the private investment funds. We generally invest and trade on behalf of our clients in securities of a wide variety of issuers (see *Item 8, Section A*).
 - C. With respect to the separately managed accounts, we permit investors to choose their investment objective (from a set list of investment objectives). Under certain circumstances, we may agree to adhere to specific operating guidelines imposed by the client. We negotiate such arrangements on a case-by-case basis. With respect to the private investment funds, we generally do not permit investors in such funds to impose limitations on the investment activities described in the offering documents for such funds (see *Item 16 "Investment Discretion"*).
 - D. We participate in several wrap fee programs sponsored by different broker-dealers. Pursuant to such programs, each client in the wrap fee program pays a single, all-inclusive "wrap" fee to the applicable sponsor for investment advisory services and execution costs. Therefore, such accounts are not charged brokerage fees and commissions and custodian charges as described in *Item 5, Section C* below. Each sponsor pays us a portion of the "wrap" fee for our investment advisory services (and thus the owners of the accounts do not pay the advisory fee described in *Item 5, Section A* below). We generally manage such accounts in a manner similar to how our other

accounts are managed, except that a wrap fee account is generally fully invested on the day it is opened (while the other newly opened accounts may hold cash for a period of time depending on market conditions and other considerations).

We also sponsor a wrap fee program. Please see Appendix 1 to this Brochure for disclosure regarding such program.

- E. As of March 31, 2011, Advisor managed approximately \$175,000,000 on a discretionary basis. In addition, as of March 31, 2011, the General Partners managed approximately \$45,000,000 on a discretionary basis.

Item 5 - Fees and Compensation

- A. Our fees and compensation are described in the advisory contracts (or limited partnership agreements in the case of the private investment funds) we enter into with our clients. Our fees and compensation may vary, but will typically consist of a percentage of assets under management and commissions and other compensation paid to our affiliates as described below.

For Separately Managed Accounts

We charge an annual advisory fee of up to 3% of assets under management. Advisory fees are negotiable.

Certain managed account clients may invest directly in one or more hedge funds or other private investment vehicles we recommend, and we charge some of such clients an advisory fee of up to 1% of the capital invested in such funds.

Our affiliates receive commissions and other compensation in connection with such managed accounts (*see Item 5, Section E and Item 10, Section D*).

For Private Investment Funds

The General Partners of Lincoln Associates L.P. and Little Bay L.P. charge an annual advisory fee of 1.25% of assets under management. The General Partner of Bay Meadow L.P. does not charge an annual advisory fee. Instead, an affiliate of such General Partner (TCS) receives a fee of \$1,500 per quarter to cover administrative costs.

If any portion of the private investment funds' assets are allocated to Advisor to manage, then Advisor will charge an advisory fee of 1% per annum of the assets it manages. This fee is in addition to the advisory fee paid to the General Partners (Advisor's affiliate), which is described in the paragraph immediately above. Currently, Advisor manages a portion of Little Bay L.P.'s assets and may manage a portion of the other private investment funds' assets in the future.

Our affiliates receive commissions and other compensation in connection with such private investment funds (*see Item 5, Section E and Item 10, Section D*).

- B. We generally deduct our advisory fees from client accounts quarterly in advance.

C. General Expenses

The expenses that are charged to separately managed accounts include all expenses incurred in connection with any investments, including brokerage commissions or fees (see Item 12 “Brokerage Practices” and Item 5, Section D below), custodian costs (see Item 5, Section D below), interest on any borrowings and taxes.

The expenses that are charged to the private investment funds (and therefore borne by the investors in the private investment funds) include all operating expenses such as all tax and investment expenses (including brokerage commissions and custodial costs), legal expenses, internal and external accounting expenses, and tax preparation expenses.

Fees and Expenses in Connection with Certain Investments

The private investment funds and the separately managed accounts may invest directly or indirectly in money market funds, mutual funds or exchange-traded funds. In addition to the fees and expenses discussed above, investors will indirectly bear advisory and other fees and also expenses with respect to such investments.

The General Partners allocate the private investment funds’ capital to hedge funds or other types of private investment vehicles and separately managed accounts managed by unaffiliated third party managers (collectively, “Portfolio Managers”). In addition to the fees and expenses discussed above, investors in the private investment funds will indirectly incur similar fees and expenses with respect to such investments as Portfolio Managers charge advisory fees and the hedge funds/other private investment funds bear a variety of other expenses and other fees payable to service providers. In addition, the Portfolio Managers of hedge funds/other private investment funds in which the funds invest charge performance-based incentive fees or allocations.

- D. With respect to the separately managed accounts, advisory fees are generally paid quarterly in advance. Advisory fees are pro-rated if the advisory contract is cancelled prior to the quarter end (and any unearned fees are returned at such time). With respect to the private investment funds, advisory fees are generally paid quarterly in advance, and are pro-rated if the funds are terminated or an investor withdraws capital prior to the quarter end (and any unearned fees are returned at such time).
- E. 1. TCS is a broker-dealer affiliated with us. The principals of TCS are the same as the principals of Advisor and the General Partners. In addition, the principals are registered representatives of TCS.

Brokerage/Custodial Mark-ups

TCS receives commissions on security transactions it executes for our clients. In addition, TCS may also receive commissions on insurance products sold to our clients.

Currently, we will almost always effect brokerage transactions for the separately managed accounts through TCS and thus TCS receives significant income from such brokerage commissions.

However, with respect to the wrap fee program in which we participate (as described in Item 4, Section D), such brokerage transactions are not effected via TCS. In addition, all managed account clients can elect to participate in the wrap fee program sponsored by us,

and in such case, clients will not pay brokerage commissions for securities and other trades executed via TCS (and instead will pay a wrap fee covering all brokerage commissions for securities and other trades executed via TCS). See Appendix 1 to this Brochure for a description of the wrap fee program that we sponsor.

Additionally, to the extent that Advisor manages capital for the private investment funds (as is currently the case with respect to Little Bay L.P.), Advisor will almost always effect brokerage transactions through TCS (and TCS will receive brokerage commissions in connection with these transactions). In addition, with respect to the private investment funds, most Underlying S.M.A. Managers have brokerage accounts at TCS, and typically utilize TCS as their primary broker-dealer. As a result, TCS will receive brokerage commissions in connection with most transactions executed by such Underlying S.M.A. Managers.

The brokerage commissions described above create an incentive for us (since we are affiliates of TCS) to more frequently execute transactions in order to generate commissions. However, it is our policy to place the clients' interests before our own interest, and thus, we will effect transactions only when we believe that such transactions are consistent with our clients' investment objectives and our investment philosophy. In addition, we may have an incentive to use TCS to execute transactions that conflicts with our duty to seek best execution. It is possible that the brokerage commissions paid to TCS could be higher than the commissions that another broker may have charged for effecting the same transaction. However, we believe that executing transactions via TCS is more cost-efficient for our clients than establishing and maintaining other brokerage relationships with third parties.

Additionally, as discussed in *Item 5, Section C*, clients bear custodial costs imposed by a third party custodian on the accounts. These custodial costs may be marked up by TCS to the extent permitted by applicable law (and therefore represents additional compensation to us and our affiliates). The costs imposed by the custodian that are subject to mark up by TCS include, without limitation, costs in connection with margin extensions, returned checks, customer confirmations, reorganization activities, inactive account custody fees, transfers (register and ship), legal transfers, DK items, foreign receive and deliver fees, customer name safekeeping, foreign securities safekeeping, wired funds, cash due interest and account transfers and closings.

Commissions on Sales of Securities and other Instruments

If the separately managed accounts or the private investment funds (to the extent that capital has been allocated to Advisor or the Underlying S.M.A. Managers to manage) purchase certificates of deposit ("CDs"), TCS receives a selling concession. These concessions vary from issue to issue and generally range from 0% to 1% of the amount invested in the CD.

If the separately managed accounts or the private investment funds (to the extent that capital has been allocated to Advisor or the Underlying S.M.A. Managers to manage) invest in certain money market mutual funds, then TCS receives compensation from its clearing agent. TCS's clearing agent may pay TCS a distribution fee on certain money market mutual fund sales.

The compensation described in the above paragraphs creates an incentive for us and our supervised persons to recommend investment products based on the compensation

received by us and our affiliates, rather than based on our clients' needs. In order to address this issue, it is our policy to place the clients' interests first and foremost.

See also *Item 10, Section D* regarding compensation TCS receives from third party portfolio managers for investing the private investment funds capital in, or recommending the owners of the separately managed accounts invest in, the hedge funds or other private investment vehicles managed by such third party portfolio managers.

2. Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.

3. Brokerage commissions, custodial markups, other compensation for the sale of investment products we recommend to our clients (fees/concessions from the sale of CDs and money market mutual funds), and referral fees from Portfolio Managers are our primary compensation.

4. We do not reduce our advisory fees as a result of any commissions or other compensation that we receive.

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

Not applicable

Item 7 - Types of Clients

Advisor primarily provides investment advice to clients who are individuals. Advisor may also provide investment advice to clients that are pension and profit sharing plans, trusts, estates or charitable organizations or other corporations or business entities. The minimum investment for a separately managed account is generally \$100,000 (although we may waive such minimum).

The General Partners provide investment advice to clients who are private investment funds. Investors in such private investment funds are generally individuals (or the types of plans, trusts, organizations or entities described in the paragraph above) that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended). The minimum investment is generally \$250,000 for Little Bay L.P. and Bay Meadow L.P. and \$150,000 for Lincoln Associates L.P. (subject to reduction in our discretion).

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

A. Methods of Analysis and Investment Strategies Generally

For Separately Managed Accounts

Our objective is to seek returns in the form of income and/or capital appreciation. We seek attractive risk-adjusted returns through assets class rotation and sector and Industry rotation. We use a combination of top-down and bottom-up approaches when selecting investment vehicles. Portfolios are actively managed and positions are adjusted based on our views of the domestic and global business state and position in the cycle. Thus, the top-down component helps us to determine our asset allocation and sector calls. The bottom-up component comes from the actual stock selection within sectors.

Account objectives are selected for each account as either “Income”, “Growth and Income” or “Growth”. Each account also selects a risk level of “Conservative”, “Moderate” or “Aggressive”. As positions are purchased, these objectives, and risk levels, are taken into consideration, as well as all other positions previously purchased in the account. Overall account allocations, to sectors and industries, are also taken into consideration. In general, more conservative positions are purchased for accounts with a conservative risk level while more aggressive positions are purchased for accounts with a risk level of aggressive. Additionally, accounts with a more aggressive risk levels can have higher concentrations in some sectors and industries.

TCIA models offered through other Broker Dealers and/or Registered Investment Advisors, are traded to a specific model. These models are selected by the client, registered representative and/or the investment advisor of the offering BD and/or RIA. Asset allocation and investment objectives are determined at the offering Broker Dealers and/or Registered Investment Advisor.

For Private Investment Funds

The General Partners will allocate the funds’ capital to Portfolio Managers that engage in merger arbitrage and hedging activities and other more aggressive and sophisticated investment techniques (including the purchase and sale of stock index futures and options on futures and put and call options), as well as the conventional trading of securities. For a further description of each fund’s investment strategies, see each fund’s offering memorandum.

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

B. Certain Risks Associated with Methods of Analysis and Investment Strategies

For Separately Managed Accounts

Investment and Trading Risks. All investment positions bear risk the loss of capital. Advisor believes that it will moderate this risk through a careful selection of securities. No guarantee or representation is made that the clients’ investment program will be successful.

Advisor will attempt to assess the risk factors associated with each security in determining the extent of the position it will take in the relevant security and the price it is willing to pay for such security. However, such risks cannot be eliminated.

Single Asset Class. The clients’ accounts primarily invest in long-only equities. We do not invest in a wide variety of asset classes and do not use hedging techniques such as engaging in short sales or trading in derivatives. This investment approach may subject the clients’ accounts to more rapid change in value than would be the case if the accounts invested in a wide variety of asset classes or if we utilized hedging techniques.

Market Volatility; Changes to Companies. The securities markets are subject to volatility and may be influenced by various factors, including without limitation, 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. The volatility of the securities markets makes it difficult for Advisor to accurately predict price movements.

In addition, entities in which the clients may invest will be subject to changes in economic climate, technology and competition, as well as other operating risks. For these and other reasons, capital appreciation may not actually be achieved and the clients' accounts could sustain losses.

Recent Market Conditions. The financial markets have exhibited increased volatility over the last couple of years. Past events and continuing uncertainty have resulted in vast fluctuations in market prices on a daily basis. Market participants may react quickly to unconfirmed reports or information and as a result there may be drastic unexpected market movements, up or down, in short periods of time. While this may create opportunities to identify undervalued investments, it also may make it more difficult than in the past to anticipate or predict future market movements. Certain investments may have to be held for longer periods of time until their value potential can be realized, if at all. Changes in government regulations may impact investment opportunities in ways that are hard to anticipate.

Master Limited Partnerships. Master Limited Partnerships ("MLPs") concentrate investments in the natural resource sector and are subject to the risks of energy prices and demand and the volatility of commodity investments. Damage to facilities and infrastructure of MLPs may significantly affect the value of an investment and may incur environmental costs and liabilities due to the nature of their business. MLPs are subject to significant regulation and may be adversely affected by changes in the regulatory environment. MLPs are subject certain risks inherent in the structure of MLPs, including complex tax structure risks, the limited ability for election or removal of management, limited voting rights, potential dependence on parent companies or sponsors for revenues to satisfy obligations, and potential conflicts of interest between partners, members and affiliates.

MLPs are generally classified as partnerships for U.S. federal income tax purposes. Investors in MLPs are generally taxed each year on their allocable share of the MLP's items of income, gain, loss and deduction, whether or not the MLP makes any distributions.

If an MLP fails to satisfy a "qualifying income" test, it would be treated as corporation for U.S. federal income purposes, and thus subject to U.S. federal corporate income tax. The resulting tax liability could result in a material reduction in its value.

Investments in MLPs may result in other material adverse tax consequences. For example, such investments may subject non-U.S. persons to U.S. federal income taxes and tax return filing obligations, U.S. tax exempt persons to U.S. federal income taxes on "unrelated business taxable income", and investors generally to state and local income taxes and tax return filing obligations in those states and localities where an MLP does business.

Concentration. A client's accounts may from time to time hold a few, relatively large positions in relation to such client's capital and/or may not be diversified in the types of securities, issuers and industries. Such concentration of capital in a limited number of securities may tend to result in more rapid changes in a client's portfolio, upward or downward, than would be the case with greater diversification, with the result that a loss in any such security could have a material adverse impact on a client's returns.

Small Capitalization Companies. The clients' accounts may invest in small capitalization 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 the 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.

Convertible Securities. The clients' accounts may from time to time invest in convertible securities. The market value of convertible securities, as with all fixed income securities, tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. If a convertible security held by a client's account is called for redemption, Advisor will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on the clients' accounts.

Exchange Traded Funds ("ETFs"). The clients' accounts may invest in ETFs that are typically registered under the Investment Company Act of 1940, as amended, as open-end investment companies or unit investment trusts. ETFs are generally structured to invest in all or a representative sample of the securities that generally replicate the price and yield performance of an underlying market index or sector such as a broad stock market, industry sector, domestic or international equity or fixed income, or U.S. or foreign government bond. ETF shares are traded on stock exchanges and markets at open market prices that generally track the net asset value per share of the ETF. Direct issuances and redemption of ETF shares at the ETF's net asset value per share only occur in large blocks (or creation units) transacted between the ETF and authorized institutional purchasers on an in-kind basis. An exchange traded sector fund may be adversely affected by the performance of that specific sector or group of industries on which it is based. Although index-based ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, ETFs may not be able to replicate exactly the performance of the indices because of their expenses and other factors. ETF shares may trade at either a discount or premium to their underlying net asset value. The purchase or sale of ETF shares on the secondary market involves the payment of brokerage commissions, and the purchase and redemption of creation units involves other transaction costs and brokerage commissions. Investors in ETFs also directly bear the ETF's costs associated with its payment of investment manager fees and fees for administrative, custodial or other services and thus the clients will be charged an additional layer of fees and expenses. Additionally, some ETFs utilize leverage and thus the risk of losses can be heightened as a result.

Mutual Funds. Risk is involved in fund selection as well as in market timing. Most mutual fund shares can be traded only at the end of each day, potentially increasing losses on days of steep overall market declines. In addition, some funds only permit trading well before the market closes. The purchase or sale of mutual fund shares on the secondary market involves the payment of brokerage commissions. Investors in mutual funds also directly bear the costs associated with its payment of investment manager fees and fees for administrative, custodial or other services and thus the clients will be charged an additional layer of fees and expenses.

For Private Investment Funds

Please refer to the risk factors in the offering memorandum of each private investment fund for a description of the risks associated with such investments.

C. We do not recommend primarily a particular type of security for the separately managed accounts.

However, with respect to the private investment funds, we recommend primarily a single Portfolio Manager and the private investment funds invest a substantial majority of their assets in the hedge funds/private investment funds managed by such Portfolio Manager. As a result, the performance of our private investment funds is largely dependent upon a single Portfolio Manager. Any loss of such Portfolio Manager could adversely affect the private investment funds. Also, if the Portfolio Manager's investment program is unsuccessful, the performance of the private investment funds is likely to suffer substantially. Such Portfolio Manager primarily utilizes a merger arbitrage strategy and there are numerous risks associated with such strategy, including, without limitation, the risk that a transaction might not be consummated or that the transaction will be delayed. In addition, such Portfolio Manager uses hedging techniques which may prove unsuccessful.

Item 9 - Disciplinary Information

Not applicable.

Item 10 - Other Financial Industry Activities and Affiliations

- A. TCS is an affiliated broker-dealer, and the principals of Advisor are registered representatives of TCS.
- B. *Not applicable.*
- C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related *person* listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.
 - 1. **broker-dealer, municipal securities dealer, or government securities dealer or broker**

TCS is an affiliated broker-dealer. See *Item 5, Section E* and the paragraph below for disclosure regarding the conflicts of interest.

Agency Cross Transactions

We may from time to time engage in agency cross transactions through our affiliated broker-dealer TCS (transactions in which TCS acts as broker for both parties on both sides of the transaction and one party is our client). Such transactions may create a conflict of interest for us because TCS receives commissions from such transactions. In order to address such conflicts, we will receive the written consent of our clients to engage in agency cross transactions and will follow the other conditions required by Rule 206(3)-2 of the Investment Advisers Act of 1940, as amended (including sending the applicable clients details regarding each agency cross transaction at or before the completion of the transaction, including the date of the transaction, the nature of the transaction, an offer to furnish the time the transaction took place, and the total of the commissions or other compensation received in connection with the

transaction, and an annual summary of all agency cross transactions). All clients may terminate the agency cross transaction authority at any time by written notice to us.

2. **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)**

The General Partners manage funds that may be deemed to be our related persons, including Lincoln Associated L.P., Lincoln Associates L.P. and Bay Meadow L.P..

The management of the private investment funds may result in conflicts of interests when we and our related persons allocate time and investment opportunities (to the extent that Advisor manages a portion of the funds’ capital) among such funds and other clients. In addition, the compensation earned by us and our related persons from the private investment funds may differ from the compensation earned from other clients. We and our related persons will generally follow documented procedures in allocating investments among such private investment funds (to the extent that Advisor manages a portion of the funds’ capital) and the other clients. (See *Item 12, Section A “Allocation of Investment Opportunities”* and *Item 12, Section B “Aggregation of Orders”*.)

The General Partners invest in the private investment funds. As a result, we may have a conflict of interest in allocating investment opportunities among such private investment funds (to the extent that Advisor manages a portion of the funds’ capital) and the other clients. We have a conflict of interest in allocating investment opportunities because we have a financial interest in the private investment funds but we have no financial interest in the managed accounts. However, we will generally follow documented procedures in allocating investments. (See *Item 12, Section A “Allocation of Investment Opportunities”* and *Item 12, Section B “Aggregation of Orders”*.)

3. **other investment adviser or financial planner**

Leeward LLC, Anchor Asset Management LLC and Jayne Management LLC each serve as a general partner to one of the private investment funds. See *Item 10, Section C.2, Item 10, Section D* and *Item 5, Section E* for a description of the conflicts of interests.

4. **futures commission merchant, commodity pool operator, or commodity trading advisor**

Not applicable.

5. **banking or thrift institution**

Not applicable.

6. **accountant or accounting firm**

Not applicable.

7. lawyer or law firm

Not applicable.

8. insurance company or agency

Not applicable.

9. pension consultant

Not applicable.

10. real estate broker or dealer

Not applicable.

11. sponsor or syndicator of limited partnerships.

Not applicable.

- D. TCS may receive compensation from Portfolio Managers that we select for or recommend to our clients (either when we recommend that our managed account clients directly invest with a Portfolio Manager or when we allocate a portion of the private investment funds' capital to a Portfolio Manager). Such compensation generally includes a portion of the management fees and incentive fees that such Portfolio Manager receives in connection with the capital we allocate or recommend to such Portfolio Manager. In particular, a substantial majority of the private investment funds' capital is allocated to a Portfolio Manager that pays a portion of its management fees and incentive fees to TCS (and TCS receives up to 20% of the fees earned on the capital it refers to such Portfolio Manager).

Additionally, as discussed in *Item 5, Section E* with respect to the private investment funds, the Underlying S.M.A. Managers selected by the General Partners use TCS as their primary broker-dealer. Therefore, TCS receives brokerage commissions and other consideration in connection with securities and other transactions effected through TCS.

The payment of such referral fees and such brokerage commissions creates a conflict of interest. In particular, we have an incentive to recommend Portfolio Managers that are willing to pay us referral fees and Underlying S.M.A. Managers that want to use TCS as their primary broker-dealer. However, we continually review our clients' investment with such Portfolio Managers and it is our policy to withdraw capital from such Portfolio Managers and cease recommending such Portfolio Managers if we are not satisfied with their returns and their risk/reward ratio.

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

- A. We have adopted a Code of Ethics (the "Code of Ethics") designed to promote high ethical standards and professionalism among our employees and principals. In this regard, we have developed policies and procedures in our Code of Ethics premised on acting with honesty, good faith and with the affirmative duty to act solely in the best

interests of the clients. In addition, among other things, our Code of Ethics governs all personal investment transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable federal securities laws, and the manner in which violations of our Code of Ethics are to be reported. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

- B. We may recommend that certain prospective clients invest in the private investment funds managed by the General Partners (although our clients' specific authorization is required before such investment and each client will sign the fund's limited partnership agreement and subscription agreement). The General Partners have personal investments in the private investment funds. See *Item 10, Section C.2* for disclosure regarding the conflicts of interests.

Principal Transactions

We may from time to time engage in principal transactions under the Investment Advisers Act of 1940, as amended, through our affiliated broker-dealer TCS (e.g., where a security is sold from our account (or the account of our affiliates or principals) to the account of a client). Such transactions may create a conflict of interest for us because we may put our or our principals' interests before the interests of our clients. We provide the participating clients with disclosure regarding each principal transaction, including, as applicable, information about our conflict of interest, the price of the transaction or current quoted price, the best market price information regarding the security and any commission or mark-up or mark-down charges and we obtain the consent of the applicable clients as required by the Investment Advisers Act of 1940, as amended, unless the foregoing is not required by applicable law. Clients from whom prior written consent (to the extent required by applicable law) for a particular transaction could not be obtained on account of time restraints will be given a reasonable period of time to rescind the transaction.

- C. We (including our employees, partners, officers and directors) may invest in the same securities that we and our related persons recommend to clients. Our policies require that: the interests of client accounts will at all times be placed first; all personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and such individuals must not take inappropriate advantage of their positions.

If we (including our employees, partners, officers and directors for purposes of this paragraph) buy or sell the same position on the same day as our clients and we get a better price, then the clients' prices are averaged with the better price received by us. Our Chief Compliance Officer has daily access to the trades of our employees, partners, officers and directors in order to implement the above policy.

In addition, our employees, partners, officers and directors are required to receive prior approval from our Chief Compliance Officer before they invest in new issues or private offerings or limited offerings of securities.

- D. We may buy or sell securities for one client at the same time that we or our related persons buy or sell the same security for one or more other clients. This will typically happen when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. This may create a

conflict of interest if one account may benefit from making the trade before or after the other account. See *Item 12, Section A “Allocation of Investment Opportunities”* and *Item 12, Section B “Aggregation of Orders”* for our policies to address such conflicts.

We (including our employees, partners, officers and directors) may also trade securities for our own accounts that are the same securities that we are trading on behalf of our clients. See *Item 11, Section C* above for our policies to address such conflicts.

Item 12 - Brokerage Practices

A. Selection of Brokers

As discussed in *Item 5, Section E*, almost all of the portfolio transactions for our separately managed accounts are effected by TCS, our affiliated broker-dealer. In addition, as discussed in *Item 5, Section E*, to the extent that Advisor or any Underlying S.M.A. Managers manage any portion of the private investment funds’ capital, almost all securities and other transactions effected by Advisor or any Underlying S.M.A. Managers are executed through TCS. We believe that executing transactions via TCS is more cost-efficient for our clients than establishing and maintaining other brokerage relationships with third parties. We periodically analyze such arrangement, and will seek to establish and maintain other brokerage relationships with third parties if we believe that it is in the best interests of our clients.

As discussed in *Item 5, Section E*, we have an interest in effecting brokerage transactions through TCS since TCS will receive brokerage commissions and other compensation in connection with such transactions. See *Item 5, Section E* regarding how we resolve such conflict.

1. Research and Other Soft Dollar Benefits

Not Applicable

2. Brokerage for Client Referrals

Not Applicable

3. Directed Brokerage.

Not applicable.

4. Allocation of Investment Opportunities

It is our policy that all allocation procedures must be fair and equitable to all clients with no particular group or clients being favored or disfavored over other clients.

We typically trade accounts on an individual basis in random order as we provide custom advice to each client.

In certain circumstances (for instance, when we believe a security should be acquired by all accounts or all accounts with a particular investment objective regardless of the accounts’ portfolio composition), we may allocate investment opportunities among all accounts or all accounts with particular investment objectives on a pro rata basis (“Group Trades”). However, we may allocate the

securities being acquired in a Group Trade among client accounts on a different basis. In such cases, the factors that we may consider when determining whether to allocate the securities that are being acquired in a Group Trade to each client account or each client account with particular investment objectives include the restrictions of each client account (as certain clients have negotiated certain operating guidelines) and capital available for investment in the applicable client account. See *Item 12, Section B* below regarding how we aggregate Group Trades.

5. Trade Error Policy

We will reimburse the applicable client account(s) for net losses that occur as a result of our trade errors.

With respect to the private investment funds, the Portfolio Managers will have their own trade error policies.

B. Aggregation of Orders

We generally trade accounts on an individual basis.

However, in certain circumstances we may aggregate trades, including, for instance, when we want to quickly sell a particular security or in the case of Group Trades. However, sales or purchases that are made pursuant to a Group Trade may not be aggregated for accounts where the clients have negotiated certain operating guidelines. This is because we need to carefully review trades for such accounts in order to ensure that the operating guidelines are adhered to (and we do not want the accounts without any such operating guidelines to be disadvantaged by any delay in such purchase or sale).

In instance where we aggregate trades, securities purchased or sold will generally be allocated among client accounts on an average price basis. When an aggregated order is only partially filled, our allocation is sequential based on the allocation size from the largest order to the smallest order then alphabetically by last name.

Item 13 - Review of Accounts

- A. Client portfolios are generally reviewed weekly, and their performance analyzed, by one of the following investment professionals: Richard Rohman (Director, Vice-President and Chief Compliance Officer), Alexander Rohman (Director and Vice-President) or Jeffrey Harriton (Director and President).

The frequency of such review is also based on market conditions and other factors that trigger a review.

Client investments are evaluated based on performance, company fundamentals, news and press releases, annual reports, prospectuses and other filings with the SEC, analyst reports, general market conditions and/or such other considerations as we deem appropriate.

- B. *Not Applicable*

- C. We furnish each client that has a separately managed account a written statement of the account each calendar quarter, showing the profits and losses of such account. Additional reports may also be distributed from time to time depending on the market conditions. In addition, we make our representatives available to meet with clients from time to time as reasonably requested. The custodians of such accounts also send account statements to the owners of such accounts no less frequently than monthly.

On an annual basis, we send investors in the private investment funds annual tax information for the preparation of their tax returns as well as an annual audited financial statement. We also send investors quarterly reports and additional reports may be distributed from time to time depending on the market conditions.

Item 14 - Client Referrals and Other Compensation

A. *Not applicable*

B. We pay placement agents, including solicitors, who refer investors to the private investment funds and to Advisor to establish separately managed accounts. Such payments are generally a portion of the advisory fees received by the General Partners or Advisor (as applicable) from the investors introduced by such placement agents. Any such arrangements will be on a fully-disclosed basis and in accordance with all applicable laws.

Item 15 - Custody

As noted above in *Item 13, Section C*, owners of the separately managed accounts that we manage will receive account statements no less frequently than quarterly from the custodians of such accounts. Clients should carefully review these statements that are received from the custodians of such accounts.

Item 16 - Investment Discretion

Advisor has discretionary authority to manage each separately managed account based upon the investment objective selected by the client. On a case-by-case basis, the client may negotiate operating guidelines that Advisor will adhere to when exercising its discretionary authority over such accounts.

The investors in the private investment funds managed by the General Partners generally may not place any limits on the applicable General Partner's authority beyond the limitations set forth in the offering and governing documents of such private investment funds.

Our investment advisory agreement with the owner of the managed account provides Advisor with discretionary authority with respect to the account. The limited partnership agreement for each private investment fund provides the applicable General Partner with discretionary authority.

Item 17 - Voting Client Securities

With respect to the separately managed accounts, we have no authority to vote proxies and we promptly forward, or cause to be forwarded, all proxies to the clients.

With respect to the private investment funds, to the extent that capital is allocated to Advisor to manage (as is currently the case with respect to Little Bay L.P.), Advisor will have the authority

to vote proxies. In such instances, Advisor will be responsible for determining how to vote all proxy statements received by it with respect to the account that it manages for such funds.

In the absence of a conflict of interest, Advisor will vote all proxies in the manner that it believes is in the best interests of the fund. In addition, Advisor may determine to abstain from voting a proxy if it believes that such action is in or not opposed to the best interests of the fund.

Advisor may take into account the following factors, among others, in determining if a specific proposal is in the best interests of the fund: (a) management of the issuer's views and recommendations on such proposal; (b) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (*e.g.*, instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (c) whether Advisor believes that the proposal will fairly compensate management for its and/or the issuer's performance.

If Advisor believes the issue being voted upon is not material for it and the fund, Advisor will not be obligated to vote on such matter.

Our Chief Compliance Officer will attempt to identify any conflicts of interest between us and the fund with respect to any proxy statements Advisor receives. This examination will include a review of the relationships, if any, between us and our principals, affiliates and clients, on the one hand, and the issuer of the subject security and such issuer's affiliates, on the other hand.

If our Chief Compliance Officer believes that a material conflict exists between us and the fund, Advisor will rely exclusively in making its voting decision on the recommendation of an independent third party who is experienced in advising investment managers regarding proxy voting decisions.

Clients or prospective clients may contact us via e-mail or telephone to request a copy of our proxy voting policies and procedures. Upon the request of a client, we will disclose to such client how Advisor voted securities owned by such fund (to the extent that Advisor managed capital for such fund).

Item 18 - Financial Information

Not applicable.