

BRYN MAWR CAPITAL MANAGEMENT, INC.

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Bryn Mawr Capital Management, Inc. (“Bryn Mawr”). If you have any questions about the contents of this brochure, please contact us at 484-380-8100 or by e-mail at info@brynmawrcap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC does not imply a certain level of skill or training.

Additional information about Bryn Mawr also is available on the SEC’s website at www.adviserinfo.sec.gov.

January 1, 2012

Item 2: Material Changes

Bryn Mawr's most recent update to Part 2 of Form ADV was made on March 31, 2011. Since the time of its last update, the only material change in Bryn Mawr's operations has been a modification of its trade error policy. In addition, this update to Part 2 of Form ADV contains editorial and clarifying changes to reflect revisions made in offering materials of the Funds that were updated in 2011.

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Item 4: Advisory Business

Firm Description

Bryn Mawr is a Pennsylvania corporation that has been managing investor funds since January 1992.

Principal Owners

Bryn Mawr is a wholly-owned subsidiary of Bryn Mawr Capital Holding, Inc. (“BMCH”). The principal shareholders of BMCH are Kenneth B. Gray, Jr. and his affiliates (53%), and Stephen L. Walsh (25%). The remaining 22% of the shares are owned by four key employees of Bryn Mawr.

Types of Advisory Services

Bryn Mawr offers only investment advisory services. Bryn Mawr currently serves as the investment advisor to six private investments funds (the “Funds”), which consist of three U.S. limited partnerships, two Cayman Islands exempted companies, and one British Virgin Islands company. Of the six Funds, only three are currently open for investment by outside investors. Five of the Funds are managed using the same market-neutral long/short, roughly sector-neutral global equity strategy, investing in both financial and non-financial sectors. The sixth Fund (the “Experimental Fund”) employs an experimental market-neutral long/short global equity strategy, invests only in non-financial sectors and currently is not open to outside investors. For additional detail on the strategies and their material risks, see “Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.”

In addition to serving as the discretionary investment advisor to the Funds, Bryn Mawr also advises six separately managed accounts (the “Managed Accounts”) pursuant to the objectives and guidelines set forth in the individually negotiated managed account agreements. The Managed Accounts generally employ the same strategy as the five Funds. The term “Funds” as used in this Brochure includes the Managed Accounts unless the context otherwise requires or unless specific reference is made to the Managed Accounts.

Bryn Mawr has full discretionary authority to make all trading and investment decisions for the Funds. Bryn Mawr is not required to obtain, and does not seek to obtain, approval from the Funds or the investors in the Funds with respect to its trading decisions for the Funds. Bryn Mawr also has full discretionary authority to make all trading and investment decisions for the Managed Accounts, subject to any investment restrictions or limitations set forth in the relevant managed account agreements.

Managed Assets

As of January 1, 2012, Bryn Mawr manages approximately \$940 million of assets through the Funds and Managed Accounts, all on a discretionary basis.

Item 5: Fees and Compensation

Description of Fees and Compensation

Bryn Mawr receives asset-based management fees and performance-based incentive fees, or allocations, from each of the Funds and Managed Accounts.

For each Fund except one, Bryn Mawr receives a management fee equal to 2% annually of the net asset value of the Fund or, in the case of the limited partnerships, each limited partner's capital account. For one Fund, the management fee is equal to 2.8% annually of the net asset value of the Fund. The percentages are based on the current level of notional leverage. The management fee is calculated and payable quarterly in arrears. Bryn Mawr also receives an annual performance-based fee/allocation equal to 20% of the Fund's net profits for the year or, in the case of the limited partnerships, 20% of a limited partner's net profit for the year, subject to any loss carryforward.

Management Fees are prorated for contributions/subscriptions and withdrawals/redemptions made during a quarter. Incentive allocations/fees are allocable/payable, or reserved for, upon withdrawals/redemptions.

In respect to each Managed Account, Bryn Mawr receives a management fee equal to 2% annually of such Managed Account's net assets at the current level of notional leverage. The management fee is calculated and payable quarterly in arrears. Bryn Mawr also receives an annual incentive fee of 20% of a Managed Account's net profits for the year, subject to any loss carryforward.

Method of Fee Payment

All fees and allocations received by Bryn Mawr with respect to investors in the Funds are deducted directly from the assets of the Funds.

With respect to the Managed Accounts, a third-party administrator (the "Administrator") prepares and sends invoices for the fees to the Managed Account owner. The owner then either authorizes payment directly from the Managed Account, or payment is made from monies outside of the account.

Operating Expenses

The Funds bear all of their ongoing direct offering, investment, administrative and operating expenses. These expenses may include, without limitation:

- organizational and offering expenses, including those for printing expenses, legal, accounting and auditing fees, filing and qualification fees relating to registering or qualifying investments in the Funds for sale under all applicable securities laws and other similar expenses;
- investment expenses relating to any securities, including, without limitation, all brokerage commissions, spreads, markups, financing and other costs associated with executing transactions, interest on borrowed money, brokerage, registration of securities, custody, finders and other fees of any persons (other than Bryn Mawr) performing valuations or appraisals of securities, and other expenses related to securities transactions;
- third-party research and trading-related services, such as accounting and price data, financial publications, magazines and newspapers, news and quotation equipment, telecommunications facilities for delivery of such research and trading-related services and statistical and financial analytical software;
- premiums for errors or omissions insurance and insurance protecting the Funds, partners and employees and agents of Bryn Mawr from liabilities to third parties in connection with the Fund's affairs (although Bryn Mawr is not required to obtain such insurance);
- software expenses;
- third-party proxy voting services;
- printing and mailing costs;
- regulatory and governmental filing fees;
- third-party fund administration and portfolio accounting services;
- licensing and other fees for portfolio accounting and recordkeeping software;
- administrative fees and expenses;
- taxes (if any);
- outside legal, accounting, auditing and tax preparation expenses;
- directors' fees (no fee being charged for directors affiliated with Bryn Mawr); and
- extraordinary expenses (including litigation or indemnification expenses, if any).

Brokerage Fees

The Funds bear all the brokerage costs and expenses in connection with their trading and investment activities – including commissions, bid-ask spreads, financing and other costs and expenses. The Funds also bear all custodian fees for Fund assets held in cash or securities at various banks, broker-dealers and other financial institutions. For a discussion of the brokerage arrangements that Bryn Mawr enters into on behalf of the Funds, see “Item 12: Brokerage Practices.”

Negotiation of Fees; Waivers

Bryn Mawr may, in its discretion, waive all or a portion of the fees and allocations it receives from the Funds with respect to any particular investor, and currently does so for Bryn Mawr's principals, employees and other related parties who are not subject to management fees or performance-based incentive allocations. (Currently, there are no fee-paying investors in the Experimental Fund, as all of the investors are Bryn Mawr, its principals, employees and their affiliates.) Managed Account clients pay fees at rates negotiated with Bryn Mawr.

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

Bryn Mawr is entitled to receive from each Fund, an annual performance-based incentive fee or allocation equal to a percentage of the net profits for the year, subject to any loss carryforward. The net profit includes all interest, dividends and realized and unrealized gains and losses, and it is reduced by all expenses (including extraordinary expenses and reserves) paid or accrued. In the event there is a net loss in any year, no incentive fee will be paid in such year or in any subsequent year until the amount of such loss has been recovered in full. Any such loss, for purposes of determining the incentive allocation/fee, will be reduced in proportion to withdrawals.

Each Managed Account also pays a performance-based incentive fee that is calculated in a manner similar to the method used for the Funds.

Bryn Mawr does not currently manage any accounts with a different fee structure, such as accounts that pay only an asset-based management fee.

Item 7: Types of Clients

Description

Bryn Mawr provides discretionary investment advice to the Funds and the Managed Accounts.

Minimum Investment

The minimum initial investment required for the Funds is \$5 million. The minimum initial subscription amount for the Managed Accounts is \$50 million. Subject to applicable law, minimum initial investment amounts may be waived in Bryn Mawr's sole discretion without entitling any other investors to such a waiver.

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

Summary of Strategies Employed by Bryn Mawr

Bryn Mawr employs a market-neutral, roughly sector-neutral long/short global equity strategy with respect to all Funds except the Experimental Fund. The strategy utilizes a combination of (i) proprietary mathematical models that generate recommended long and short positions, and (ii) fundamental analysis. Model recommendations are evaluated subjectively using (i) fundamental information from company, regulatory and Wall Street sources, and (ii) risk factors not included in the models.

The Experimental Fund employs a market-neutral long/short equity strategy, but it is predominantly model-driven and currently invests only in non-financial sectors.

The use of leverage is an integral part of the strategy implemented by Bryn Mawr and substantial leverage will be utilized, largely by purchasing securities on margin and selling securities short.

The Funds have a relatively short-term trading perspective, with positions being held for approximately two to three months on average. However, positions may be held for substantially shorter or longer periods.

Bryn Mawr may from time to time revise the investment approach described above. All trading decisions ultimately reflect the judgment and expertise of Bryn Mawr.

The foregoing description is general and is not intended to be exhaustive.

Risk of Loss

There is high degree of risk associated with an investment in the Funds, and an investment therein should only be made after consultation with independent qualified sources of investment and tax advice. Clients or investors should carefully consider the risks described here and in the offering documents or managed account agreements before deciding to invest in the Funds or open a Managed Account. Bryn Mawr will consider any client or investor to have accepted these risks as a result of investing in the Funds or opening a Managed Account, as applicable. The fact that Bryn Mawr attempts to maintain on behalf of the Funds a market-neutral and, for all but the Experimental Fund, a roughly sector-neutral portfolio should not be taken to imply that an investment in the Funds is without substantial risk. No attempt is made to eliminate all market or sector risks or to hedge individual positions against company risk. In addition, substantial losses may be recognized on “hedged” or “market-neutral” positions, and illiquidity or default on one side of a position can result in the position being transformed into an outright speculation. In fact, a number of “market-neutral” investment funds have sustained complete or substantial losses in recent years. There are a variety of risks associated with an investment in the Funds, including, but not limited to, the following:

Model Risk. Bryn Mawr may employ proprietary mathematical models that involve assumptions based upon a limited number of variables. Any one or all of these assumptions, whether or not

supported by past experience, could prove over time to be incorrect. The outputs of models may differ substantially from the reality of the markets, resulting in major losses.

Fundamental Strategies. Fundamental analysis, which posits that markets are imperfect and that mispricings can be identified between prevailing market prices and those indicated by underlying fundamental data, is subject to the risk of inaccurate or incomplete market information, as well as the difficulty of predicting prices based on such information. Furthermore, even if Bryn Mawr can successfully identify mispricings, there is the additional uncertainty of predicting the duration of such mispricings and, accordingly, when or whether it will be profitable to invest so as to profit from them. Fundamental analysis is subject to significant losses when market sentiment leads to market prices being materially discounted from the level indicated by fundamental analysis, or when technical factors, such as price momentum or option expirations, dominate the market.

Long/Short Strategies. The use of certain “long/short” strategies in no respect should be taken to imply that the Funds’ investments in such strategies will be without risk. Substantial losses may be recognized on “hedge” or “arbitrage” positions, and illiquidity and default on one side of a position can effectively result in the position being transformed into an outright speculation. Every long/short strategy involves exposure to some second-order risk of the market. For example, substantial losses can result from having a short position in a security that is the subject of a takeover or of takeover speculation.

Importance of Market Judgment. Although Bryn Mawr uses proprietary mathematical models to generate recommended trades, the strategy is by no means wholly systematic; the market judgment and discretion of Bryn Mawr’s personnel are fundamental to the implementation of the strategy.

Duration of Investment Positions. Bryn Mawr may not know, except in the case of certain options or derivatives positions which have pre-established expiration dates, the maximum — or even the expected (as opposed to optimal) — duration of any particular position at the time of initiation. The length of time for which a position is maintained may vary significantly, based on Bryn Mawr’s subjective judgment of the appropriate point at which to liquidate a position so as to augment gains or reduce losses.

Emerging Market Investing. The Funds may invest a portion of their assets in equity and debt securities and related instruments in emerging markets. The value of emerging market instruments may be drastically affected by political developments in the country of issuance. In addition, the existing governments in the relevant countries could take actions that could have a negative impact on the Funds, including nationalization, expropriation, imposition of confiscatory taxation or regulation or imposition of withholding taxes on interest payments. The economies of many of the emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. Also, many emerging market country economies have a high dependence on a small group of markets or even a single market. Emerging market countries tend to have periods of high inflation and high interest rates as well as substantial volatility in interest rates. The value of emerging market debt can be expected to be extremely sensitive to changes in

interest rates worldwide and, in particular, in the country of the relevant issuer. Emerging market debt issuers and their obligations are not generally rated by any credit rating agency, and a significant proportion of such issuers and obligations would likely fall in the lowest rating category if they were rated.

Equities. Equities invested in by the Funds may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Funds may invest. In addition, relatively small companies in which the Funds may invest may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize.

Small- and Mid-Cap Companies. Bryn Mawr may invest some portion of the Funds' assets in the securities of companies with small- and medium-sized market capitalizations. While Bryn Mawr believes these investments often provide significant potential for appreciation, these stocks involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of small- and medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies.

Non-U.S. Securities and Non-U.S. Currencies. Bryn Mawr may invest a portion of the Funds' assets in securities of non-U.S. issuers or securities denominated in non-U.S. currencies and in forward contracts for such currencies. Investing in non-U.S. securities and/or currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of the U.S. government or of entities organized or domiciled in the United States. These considerations include, but are not limited to, changes in exchange rates and exchange control regulations, political and social instability, expropriation, impositions of non-U.S. taxes, less liquid markets and less publicly-available information than is generally the case in the United States, greater price volatility, higher transaction costs, non-U.S. government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations and lack of uniform accounting and auditing standards. Additionally, the Funds' investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Leverage; Notional Capital. The Funds utilize substantial leverage by purchasing securities on margin, selling securities short and through other means. The use of leverage exposes a Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the

Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses. With respect to embedded leverage, a Fund may be subject to major losses in the event that market events disrupt the hedged nature of its positions or it is forced to liquidate positions at a disadvantageous time. Furthermore, the credit extended to a Fund by dealers to permit it to maintain its leveraged positions can be terminated by the dealers largely in their discretion, forcing liquidation at potentially material losses. The more leverage is employed, the more likely a substantial change will occur in the value of a Fund. In addition, trading on margin will result in interest charges to the Funds. Bryn Mawr is permitted to hold positions with aggregate size of up to 110% of notional capital and the notional leverage may be up to 2x or 3x a Fund's net asset value depending on the Fund (excluding the Experimental Fund). If, as is expected to be the case throughout the term of the Funds, the Funds' portfolios will be traded on a leveraged basis, this can be expected to lead to increased volatility. The higher the notional capital relative to a Fund's net asset value, the greater the volatility the Fund is likely to experience. Higher notional capital also may result in higher management fees and expenses as a percentage of net asset value of a Fund.

Incentive Fee/Profit Share Arrangement. In relation to Bryn Mawr's incentive fee/profit share, prospective investors should note that (i) the fact that the incentive fee will be payable only out of new appreciation may create an incentive for Bryn Mawr to make investments that are riskier or more speculative than would be the case if Bryn Mawr were compensated solely based on a flat percentage of capital; (ii) Bryn Mawr may receive increased compensation because the incentive fee will be calculated on a basis which includes unrealized gains as well as realized gains; and (iii) any securities for which market quotations are not readily available will be valued by Bryn Mawr at such value as Bryn Mawr may reasonably determine.

Counterparty and Custody Risk. When the Funds invest in options, swaps, derivative or synthetic instruments, contracts for differences, forward contracts, or other over-the-counter transactions, the Funds may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties may not benefit from such protections and expose the parties to the risk of counterparty default. Recent collapses of large derivative dealers illustrate the risks of such trading.

In addition, there are risks involved in dealing with the custodians or brokers who settle the Funds' trades. Securities and other assets deposited with custodians or brokers may not be clearly identified as being assets of the Funds, and hence the Funds may be exposed to a credit risk with regard to such parties. In some jurisdictions, the Funds may only be an unsecured creditor of its broker in the event of bankruptcy or administration of such broker. Further, there may be practical or time problems associated with enforcing the Funds' rights to their assets in the case of an insolvency of any such party.

Recent apparently significant losses incurred by many hedge funds in relation to the bankruptcy and/or administration of Lehman Brothers Holdings Inc., MF Global Holdings Ltd. and their affiliates illustrate the risks incurred in both derivatives trading and custody/brokerage arrangements.

Financing Arrangements; Availability of Credit. The use of leverage is an integral part of the Funds' strategies, and the Funds depend on the availability of credit in order to finance their portfolios. There can be no assurance that the Funds will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that provide financing to the Funds can apply essentially discretionary margin, haircut, financing, security and collateral valuation policies. Changes by banks and dealers in such financing policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel the Funds to liquidate all or part of their portfolios at disadvantageous prices.

Reliance on Bryn Mawr. The Funds are dependent on the services of Bryn Mawr, the Funds' sole investment manager and Bryn Mawr, in turn, is dependent on the services of its key employees. Were Bryn Mawr's services to become unavailable to the Funds, the Funds likely would dissolve, possibly under unfavorable market conditions.

Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Reform Act") became law in July 2010. The Reform Act seeks to regulate markets, market participants and financial instruments that previously have been unregulated, and substantially alters the regulation of many other markets, market participants and financial instruments. The Reform Act contains numerous far reaching reforms to the financial industry including, but not limited to, provisions that comprehensively regulate over-the-counter derivatives markets for the first time. Many of these reforms require regulatory rulemakings by various governmental authorities that have not yet been completed. It is possible that these rulemakings could impose additional direct or indirect costs on the Funds, limit the types of strategies that the Funds may pursue, or adversely impact the desirability of certain classes of investments or the anticipated return on certain investments.

Conflicts of Interest. Bryn Mawr is subject to certain actual and potential conflicts of interest in managing the Funds. For a discussion of certain of these conflicts, see "Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading."

Item 9: Disciplinary Information

Legal and Disciplinary

Neither Bryn Mawr nor any of its affiliates or employees have been the subject of any legal or disciplinary events since their inception and through the date on the cover of this Brochure that are material to an investor's or prospective investor's evaluation of Bryn Mawr's business or integrity.

Item 10: Other Financial Industry Activities and Affiliations

Activities

Neither Bryn Mawr nor any of its management persons are registered or have a pending application for registration as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser or associated person of a futures commission merchant, commodity pool operator or commodity trading adviser.

Affiliations

Bryn Mawr does not have any arrangements that are material to its advisory business or its investors with any related person.

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

Code of Ethics

As described in Bryn Mawr's Compliance Manual, adopted pursuant to SEC Rule 204A-1, Bryn Mawr demands of itself and of its employees full compliance with all applicable laws and regulations, and a high level of honesty and integrity. Bryn Mawr and its employees take seriously their fiduciary obligations to put the interests of their investors ahead of their own. Bryn Mawr is sensitive to conflicts of interest that necessarily arise in its business, and it is scrupulous in resolving such conflicts in ways that are as fair as possible to its investors.

Conflicts of Interest

Clients or investors should carefully consider the conflicts of interest described here and in the offering documents or managed account agreements before deciding to invest in the Funds or open a Managed Account. Bryn Mawr will consider any client or investor to have consented to these conflicts as a result of investing in the Funds or opening a Managed Account, as applicable.

Participation or Interest in Client Transactions and Personal Trading. In its role as investment advisor, Bryn Mawr and its principals and employees make investment decisions for the Funds and the Managed Accounts. Bryn Mawr and its principals and employees may trade and invest for their own accounts in the same securities as those in which it invests on behalf of the Funds and the Managed Accounts. While Bryn Mawr employees are not prohibited from trading securities for their own accounts, they must do so only in full compliance with their fiduciary obligations and only if the proposed trade would not adversely affect either Bryn Mawr's positions or its overall trading strategy. To specifically address the conflicts of interest posed by this type of trading, Bryn Mawr has established certain guiding principles, entitled Guidelines

and Procedures with Respect to Personal Trading, which requires pre-clearance of such trades. Requested trades of securities in Bryn Mawr's trading universe (which for this purpose is comprised of a list of securities being traded or tracked by Bryn Mawr) generally are granted only for sales (not purchases) of such securities, and only if the proposed trade would not adversely affect either Bryn Mawr's positions or its overall trading strategy. Employees may not participate in initial public offerings and are prohibited from trading on "insider information" or in violation of any federal or state securities laws. A copy of Bryn Mawr's Guidelines and Procedures with Respect to Personal Trading will be made available on request to any investor or prospective investor.

Ongoing Selling Agent Commissions. If Bryn Mawr or the Funds engage selling agents, the selling agents and their representatives may receive up-front commissions and/or ongoing fees from Bryn Mawr. Thus, they will have a conflict of interest in advising investors as to investing in and withdrawing from the Funds. Ongoing compensation may differ for different investors and the different Funds and different selling agents may receive different amounts of compensation. To date, no such selling agents have been engaged.

Allocation of Investment Opportunities and Other Accounts. In its management of the Funds and the Managed Accounts, Bryn Mawr may have certain incentives to favor certain of its Funds over others. Bryn Mawr may determine that an investment opportunity is appropriate for a particular Fund or Managed Account, or for itself. Situations may arise in which certain Funds or Managed Accounts have made investments that would have been suitable for investment by other Funds or Managed Accounts but, for various reasons, were not pursued by, or available to, such other Funds or Managed Accounts. To the extent that Bryn Mawr or its affiliates invest in a particular investment, the ability of a Fund or Managed Account to invest in the same investment may be adversely affected by any limitation on availability of the investment. Bryn Mawr's internal compliance policies or applicable rules or regulations in certain situations may impact a Fund's or Managed Account's operations from time to time, although Bryn Mawr does not expect such impact to be material in the aggregate. In addition, Bryn Mawr may be required to choose among the Funds and Managed Accounts in allocating investments. In the event that a determination is made that the Funds and Managed Accounts should trade in the same investments on the same day, such investments will be allocated among the Funds and Managed Accounts in a manner that Bryn Mawr determines in its sole discretion, provided that the Funds will be treated fairly and equitably over time. Moreover, Bryn Mawr has a fiduciary duty to the Funds and Managed Accounts to exercise good faith and fairness in all dealings affecting the Funds and Managed Accounts and, if the underlying assets of a Fund are considered for purposes of ERISA to be assets of employee benefit plans, to comply with the fiduciary provisions of ERISA with respect to the assets of such Fund. Circumstances may occur in which an allocation could have adverse effects on the Funds and Managed Accounts with respect to the price or size of securities positions obtainable or saleable.

Trade Errors. In the course of carrying out trading and investing responsibilities on behalf of the Funds, Bryn Mawr personnel may make "trade errors" — i.e., errors in executing specific intended trades. Examples of trade errors include: (i) entering a trade for an incorrect ticker or quantity; (ii) buying rather than selling a particular investment (and vice versa); or (iii) entering a short sale transaction as a long sale rather than a short sale. Trade errors are an intrinsic factor in any complex investment process, and will occur notwithstanding the exercise of due care and

special procedures designed to prevent trading errors. Consequently, Bryn Mawr will (unless Bryn Mawr otherwise determines) treat all trade errors (including those which result in losses and those which result in gains) as for the account of the Funds, unless they are the result of Bryn Mawr's gross negligence or willful misconduct.

Item 12: Brokerage Practices

Selecting Brokerage Firms

The Funds and Managed Accounts may incur substantial brokerage commissions and other transaction expenses. Bryn Mawr will utilize the services of various third-party clearing and other brokers in connection with the Funds' and Managed Accounts' trading and Bryn Mawr has complete discretion in deciding what brokers through or with which to execute or enter into portfolio transactions. Bryn Mawr also has complete discretion to negotiate compensation arrangements and transaction terms with brokers. These arrangements may include not only paying commissions for transactions effected on any agency basis, but also compensation implicit in prices of transactions directly with brokers acting as principal (such as market-makers for over-the-counter securities) and dealers in fixed-income securities and derivatives.

In choosing broker-dealers, Bryn Mawr is not required to consider any particular criteria. For the most part, Bryn Mawr seeks "best execution." In evaluating whether a broker-dealer will provide best execution, Bryn Mawr considers a range of factors including, among others, a broker-dealer's willingness to enter into difficult transactions, including transactions in which the broker-dealer's capital is put at risk; the size of the order; the facilities that the broker-dealer makes available (including trading networks and access to multiple floor brokers and markets); the broker-dealer's access to unique connections and intelligence or expertise in security ownership histories which allows the broker-dealer to effect difficult trades in less liquid, smaller capitalized, and more closely held issues; the broker-dealer's demonstrated ability to achieve the best net results on transactions in a particular sector or of a particular size; the broker-dealer's operational efficiency; special expenses of regional delivery; and the broker-dealer's ability to complete the transaction satisfactorily through to clearance, confirmation and delivery. While Bryn Mawr seeks to achieve best execution, Bryn Mawr at times pays commissions on behalf of its clients which may be higher than those obtainable from other broker-dealers in order to achieve best execution.

Soft Dollars

Bryn Mawr expects to use soft dollars only to acquire services or products for the Funds and the Managed Accounts within the safe harbor described in Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Such services and products, include, but are not limited to, reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial and industry publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software; proxy analysis services and systems (to the extent used to assist in making investment decisions); quotation services; and other products or services that

may enhance the Bryn Mawr's investment decision-making; computer systems and facilities (including hardware) used for such things as communicating orders and settlement related information electronically to executing brokers, post-trade matching of trade information, communicating allocation instructions, and other clearance and settlement functions.

For those arrangements that provide both research and non-research benefits, or mixed-use items, Bryn Mawr makes a good-faith effort to allocate the costs of such products between research and non-research uses, and to use soft dollars to pay only for the portion allocated to research uses.

Bryn Mawr has established policies and procedures to administer and review best execution and soft dollar matters. Securities transactions may be effected only with broker-dealers on Bryn Mawr's Approved Broker List. All new arrangements for broker-dealer relationships are initiated and justified by the trader proposing such relationship, reviewed by the Director of Trading and Research and approved by the Chief Compliance Officer. Brokerage commission and soft-dollar reports are distributed and reviewed monthly by the Chief Compliance Officer and the Director of Trading and Research. Formal best execution reviews are conducted at least annually by the Chief Compliance Officer and the Director of Trading and Research, and include individual reviews with all traders regarding their commission costs. Bryn Mawr's brokerage allocation practices are subject to ongoing review by senior management to ensure that there are no improprieties or undisclosed referrals affecting the selection of brokers or allocation of brokerage transactions.

A broker will not be excluded from executing transactions for the Funds because it has not been identified as providing soft dollar items. Neither the Funds nor Bryn Mawr will enter into any contract with a broker, nor give any guarantee of any minimum amount of brokerage commissions to be paid to a broker as a condition for receiving research and other services through soft dollar arrangements. Bryn Mawr will continue to utilize a broker that provides soft dollar items only if, in Bryn Mawr's sole judgment, it provides best execution to the Funds. Bryn Mawr will reserve the right at any time to cancel without penalty any soft dollar arrangement with a broker and discontinue effecting brokerage transactions with such firm. Furthermore, in all cases Bryn Mawr will continue a soft dollar arrangement only for so long as Bryn Mawr determines in good faith that the commissions charged by such broker are reasonable in relation to the nature of the brokerage, research and other services provided.

Bryn Mawr discloses to all Fund investors and Managed Account clients on an annual basis the amount of Bryn Mawr's annual aggregate soft dollar expenditures, generally stated as a percentage of average notional capital.

Directed Brokerage

Bryn Mawr may permit the Managed Account clients to determine the prime broker that will have custody of the assets in such accounts. However, Bryn Mawr has complete discretion in determining the brokers with whom it will place trade orders for execution.

Aggregation of Trades

Since the Managed Accounts and all but one of the Funds currently follow substantially the same strategy, Bryn Mawr generally aggregates the orders for such Funds and Managed Accounts. Bryn Mawr uses its best efforts to ensure that no Fund or Managed Account is treated unfairly in relation to any other Fund or Managed Account in the allocation of securities.

Bryn Mawr has allocation policies and procedures that have been designed to address conflicts of interests that may arise due to the aggregation of orders.

Item 13: Review of Accounts

Review of Accounts

All trades and positions are monitored on a real-time basis throughout the trading day by all members of the trading group and by senior management. The Administrator, which provides middle office services for all Funds and Managed Accounts, reconciles all trades, allocations and positions on a daily basis. This reconciliation is done under the collective oversight of Bryn Mawr's Director of Trading Operations, Chief Financial Officer, Controller and Accounting Analyst. Bryn Mawr internally generates daily profit and risk reports, and the investment levels and exposures of each Fund and Managed Account are reviewed daily by senior management. On a weekly basis, the Accounting Group generally prepares reports comparing returns for each Fund and Managed Account to confirm that allocations are being made among them on an equitable basis.

Item 14: Client Referrals and Other Compensation

Client Referrals

Bryn Mawr does not currently compensate anyone for the referral of investment clients.

Other Compensation

Bryn Mawr does not currently receive compensation from any third parties that provide goods and services to its Funds and Managed Accounts.

Item 15: Custody

Custody

All assets of Bryn Mawr investors are held in custody at the prime brokers through which trades are cleared. Under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, Bryn Mawr is deemed to have custody of the securities and other assets of the Funds only because Bryn Mawr is authorized to direct the Funds' Administrator to pay Bryn Mawr's management fees. Bryn Mawr does not physically hold the securities and other assets of the Funds, and such securities and assets are not held or registered in Bryn Mawr's name.

Bryn Mawr currently does not have custody of the assets of the Managed Accounts.

Account Statements

Bryn Mawr has arranged for investors in its Funds to receive, from the Administrator, monthly statements of investment performance. On a quarterly basis, Fund investors receive unaudited financial statements (except at year-end) and a report of portfolio statistics. Annually, Fund investors receive audited financial statements.

Owners of Managed Accounts receive monthly reports on investment performance from the Administrator and monthly brokerage statements prepared by the prime brokers.

Item 16: Investment Discretion

Discretionary Authority for Trading

Pursuant to the governing documents of the Funds, Bryn Mawr has investment authority with respect to all assets owned by the Funds. There are no limitations on this authority. Subject to any investment restrictions or limitations that the Managed Account clients negotiate with Bryn Mawr, Bryn Mawr has investment authority with respect to all assets owned by the Managed Accounts. For example, one Managed Account follows a "socially responsible" mandate; another has certain liquidity constraints for its portfolio.

Item 17: Voting Client Securities

Proxy Voting

Bryn Mawr has the authority to vote the securities held by the Funds. In accordance with SEC Rule 206(4)-6, Bryn Mawr has adopted proxy voting policies and procedures reasonably designed to ensure that Bryn Mawr votes (or refrains from voting) proxies in the best interest of its clients. Neither the Funds nor any investor in the Funds may direct Bryn Mawr's vote with respect to any particular solicitation; an exception is one Managed Account that follows a "socially responsible" mandate, where the owner may direct proxy votes based on faith-based principles.

As many of the positions held for its investors are held for very brief periods of time, Bryn Mawr does not vote or evaluate proxies except as it may be specifically solicited or in other extraordinary situations when, in any event, Bryn Mawr believes the matter subject to vote may be material to the investor's account and Bryn Mawr's vote may impact the outcome of such vote. If and when Bryn Mawr does vote proxies, proxies will be voted prudently and solely in the economic interests of, and for the exclusive purpose of providing economic benefits to, investors. Decisions will not be made on social, political, ethical, moral or other non-economic grounds (except in the case of the Managed Account that follows a "socially responsible" mandate).

The foregoing policy does not apply to accounts subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). With respect to ERISA accounts, Bryn Mawr engages an independent outside proxy voting service to evaluate and vote proxies, although Bryn Mawr reserves the right to override such service in the same extraordinary situations noted above. Where Bryn Mawr elects to override such service, Bryn Mawr will vote proxies in the same manner described above.

Records of Proxy Votes

Bryn Mawr and the independent proxy voting service maintain records of proxy votes, which records will be made available to investors upon written request.

Item 18: Financial Information

Not applicable.