

Akre Capital Management, LLC

March 30, 2012

This brochure provides information about the qualifications and business practices of Akre Capital Management, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 540-687-3880. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Akre Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 4. Advisory Business

Akre Capital Management, LLC is an investment adviser with its principal place of business in Middleburg, Virginia. The Adviser commenced operations as an investment adviser on October 1, 1989 and has been registered with the SEC since January 12, 2000. Charles T. Akre, Jr. is the principal owner of the Adviser.

The Adviser provides advisory services on a discretionary basis to its clients that include individuals and institutions with separately managed accounts, registered investment companies, private funds, family offices, pension and profit sharing plans, trusts, estates, and charitable organizations and corporations and other business entities.

The Adviser typically manages accounts in accordance with its overall investment style, which involves long-term investing in equity securities of issuers identified by the Adviser through its fundamental, bottom-up analysis of issuers. Separate account clients may impose restrictions on investing in certain securities or certain types of securities.

As of March 1, 2012, the Adviser had approximately \$1.2 billion client assets under management, all of which was managed on a discretionary basis.

Item 5. Fees and Compensation

The Adviser charges each client an investment management fee based on the value of the client's assets under management.

- *Separate Accounts.* Investment management fees for separate accounts are charged each quarter based upon a percentage of the market value of the client's assets under management as of the last day of each quarter. The standard fee for these accounts is 1.50% of all assets annually. Fees are billed in advance. The Adviser will refund unearned fees that have been prepaid. Advisory contracts may be terminated upon 30 days notice.

If a new client account is established during a quarter, the investment management fee will be charged as of the effective date of the investment management agreement and will be prorated for the number of days remaining in the quarter.

- *Private Funds.* The private funds for which the Adviser serves as investment manager generally pay a management fee at an annual rate of 1.50% of the fund's net assets as of quarter end.

The Adviser or its related persons may be paid performance-based compensation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a client, the fund or an investor's capital account. Each investor or limited partner is subject to an incentive allocation equal to 20% of net profits allocated to the investor or partner in any fiscal year.

- *Akre Focus Fund.* The Adviser serves as investment adviser to the Akre Focus Fund ("Fund"), a series of a registered, open-end investment company. For its services to the Fund, the Adviser receives an investment advisory fee from the Fund that is based upon a specified percentage of the average daily net assets of the Fund. Such fee is paid in arrears.

For the private funds for which the Adviser serves as investment manager, the Adviser deducts the investment management fee from these client accounts by instructing the client's custodian. For the separately managed accounts for which the Adviser serves as investment manager, the client may select the method by which it would like to pay the investment management fee. The Adviser will deduct the investment management fee from a client's account by instructing the client's custodian or the Adviser will bill a client for the investment management fees on a quarterly basis.

In addition to paying investment management fees and, if applicable, performance-based compensation to the Adviser or its related person, client accounts will also be subject to other investment expenses such as, if applicable,

custodial charges, brokerage fees, commissions and related costs; bank service fees; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in, which the client's account invests) associated with products or services that may be necessary or incidental to such investments or accounts.

Client assets may be invested in pooled investment vehicles. In these cases, clients will bear their pro rata share of the underlying fund's operating and other expenses including, in addition to those listed above: sales expenses, legal expenses; internal and external accounting, audit and tax preparation expenses; and organizational expenses. Client assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to the investment management fee paid to the Adviser. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

The Adviser may determine to invest all or a substantial portion of the assets in a client account in shares of the Fund. Unless otherwise provided in its investment management agreement, the client authorizes the Adviser to make such investments in shares of the Fund. Such authorization may be revoked at any time in writing by the client. Each client account invested in shares of the Fund should review the Fund's prospectus for information about the Fund and its fees, which include a management fee to the Adviser. The Adviser does not charge its managed account fee on any assets in a client account invested in the Fund. The Fund pays an investment management fee to the Adviser, and a client account will indirectly pay its pro rata portion of the Fund's management fee to the Adviser to the extent assets in the client account are invested in the Fund.

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple clients. The Adviser manages client accounts that pay performance-based compensation and accounts that pay asset-based fees, which are non-performance-based fees. In addition, certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When the Adviser and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. The Adviser and its investment personnel have a greater incentive to favor client accounts that pay the Adviser (and indirectly the portfolio manager) performance-based compensation or higher fees.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions periodically to assess whether accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also compared periodically to determine whether there are any unexplained significant discrepancies.

In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate generally in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the client orders are price-averaged. These areas are monitored by the Adviser's Chief Compliance Officer.

Each of the private funds for which the Adviser or its related person serves as general partner or investment manager has and may in the future enter into agreements, or "side letters," with certain prospective or existing limited partners or shareholders whereby such limited partners or shareholders may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the fund. For example, such terms and conditions may provide for special rights to make future investments in the fund, other investment vehicles or managed accounts; special withdrawal or redemption rights, relating to frequency or notice; a waiver or rebate in fees or withdrawal or redemption penalties to be paid by the limited partner or shareholder and/or other terms; rights to receive reports from the partnership on a more frequent basis or that include information not provided to other limited partners or shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the fund and such limited partners or shareholders. The modifications are solely at the discretion of the partnership or fund and may, among other things, be based on the

size of the limited partner's or shareholder's investment in the partnership or fund or affiliated investment entity, an agreement by a limited partner or shareholder to maintain such investment in the partnership or fund for a significant period of time, or other similar commitment by a limited partner or shareholder to the partnership or fund.

Item 7. Types of Clients

The Adviser's clients consist of individuals, family offices, registered investment companies, private funds, pension and profit sharing plans, trusts, estates, and charitable organizations, and corporations and other business entities.

The Adviser requires that its managed account clients invest a minimum of \$1 million to open an account subject to waiver by the adviser. With respect to any client that is a private fund, any initial and additional subscription minimums are disclosed in the offering memorandum for the private fund.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research, as well as use of quantitative tools and investment approaches. We do not use charting analysis or cyclical analysis

The Adviser employs the following investment strategies:

- *Equity.* The Adviser's equity strategy focuses on a broad range of equity investment styles, including growth, core, and value, as well as portfolios designed to be "style-neutral". Client accounts focus on a capital growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.
- *Focused/Non-Diversification.* The Adviser focuses its investments on a limited number of issuers and does not seek to diversify investments among types of securities, issuers, countries or industry sectors.
- *Buy and Hold.* The Adviser typically buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.
- *Leverage.* The Adviser's investment program may utilize leverage, which involves the borrowing of funds from brokerage firms, banks and other institutions, in order to increase the amount of capital available for marketable securities investments.
- *Mid-Cap and Small-Cap Securities.* The Adviser may invest in the securities of mid-cap and small-cap companies.
- *Short Selling.* The Adviser may engage in short selling strategies for the private funds. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) in order to maintain flexibility and, (iii) for profit.

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire contribution or investment. The material risks relating to the foregoing investment strategies include the following:

- *Focused/Non-Diversification.* Client accounts will not be diversified among a wide range of types of securities, issuers, countries, or industry sectors. Accordingly, client portfolios are subject to more rapid changes in value than would be the case if the Adviser were to maintain a wider diversification among types of securities and other instruments, issuers, countries or industry sectors.

- *Buy and Hold.* Under a buy and hold investment strategy, the Adviser may not take advantage of short-term gains in a security that could be profitable to a client. Moreover, if the Adviser's predictions are incorrect, a security may decline sharply in value before the security is sold.
- *Leverage.* Performance may be more volatile if a client's account employs leverage.
- *Short Selling Risk.* Short selling transactions expose accounts engaging in short selling to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the account in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the account might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

The following risks are those most associated with the types of securities that are primarily recommended to clients.

- *Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.
- *Mid-Cap and Small-Cap Securities Risk.* Investing in the securities of mid-cap and small-cap companies generally involves greater risk than investing in larger, more established companies. Although investing in securities of mid-cap and small-cap companies offers potential above-average returns if the companies are successful, there is the risk that the companies will not succeed and the prices of the companies' shares could significantly decline in value. Securities of mid-cap and small-cap companies, especially those whose business involves emerging products or concepts, may be more volatile due to their limited product lines, markets or financial resources. Securities of mid-cap and small-cap companies also may be more volatile than larger companies or the market averages in general because of their general susceptibility to economic downturns, especially in the financial services group of industries where changes in interest rates and demand for financial services are so closely tied to the economy.

Item 9. Disciplinary Information

This Item is inapplicable.

Item 10. Other Financial Industry Activities and Affiliations

The Adviser serves as investment adviser to the Fund, a series of a registered, open-end investment company. Managed account clients investing in the Fund through their managed accounts pay only those fees charged to shareholders of the Fund. Such arrangement means the value of the client's investment in the Fund is excluded from the Adviser's quarterly portfolio management fee calculation.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its supervised persons to put the interests of the Adviser's clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Carolyn Hylton by email at

chylton@akrecapital.com, or by telephone at (540) 687-8923. See below for further provisions of the Code as they relate to preclearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser may invest assets of a managed account client in the Fund or in one or more private funds for which the Adviser acts as investment adviser and for which a related person of the Adviser acts as a general partner. This practice creates a conflict of interest because the Adviser has an incentive to recommend investing in the Fund or in one or more of the private funds based on its own financial interests, rather than solely the interests of a client. The Adviser addresses this conflict (i) by, in the case of the Fund, excluding assets invested in the Fund from the assets used to determine the amount of investment advisory fees payable to the Adviser by the managed account and (ii) by only making recommendations for such investments when those recommendations are consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

In addition, the Adviser or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a related person recommends to clients. Such practices present a conflict where, because of the information an Adviser has, the Adviser or its related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts:

- The Adviser requires its access persons to preclear transactions in their personal accounts with the Adviser's Chief Compliance Officer or Managing Member, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients; and
- All of the Adviser's related persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis.

Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the client accounts.

To the extent that the Adviser or any of its employees own securities that the Adviser or its related person also recommends to clients, such clients' proxies will be voted according to predetermined guidelines rather than subject to the Adviser's (or its related person's) discretion. Please refer to Item 17 for further information regarding the Adviser's proxy voting policy and procedures.

Item 12. Brokerage Practices

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors may include

creditworthiness and stability of the brokerage firm, its commission rates, execution and settlement capabilities, research services, back-office efficiency, ability to handle difficult trades and prior performance in serving the Adviser. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is possible that the Adviser may not negotiate "execution only" commission rates, meaning that a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. Portfolio management personnel of the Adviser meet periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

The Adviser may receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions. The Adviser obtains research and brokerage services qualifying as such under Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, (i) advice relating to the value of securities, the advisability of investing in securities or their buyers or sellers or (ii) analyses or reports about issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. Specific examples of research products or services that may be obtained by the Adviser include research reports, software providing analysis of securities portfolios, corporate governance research, attendance at seminars and conferences, discussions with research analysts, meetings with corporate executives and certain market data services. The receipt of research services permits the Adviser to supplement its own research and analysis and makes available to the Adviser the views and information of individuals and research staffs of other firms. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions for the period beginning when an order is first transmitted to a broker-dealer and ending at the conclusion of clearance and settlement of the transaction covered by the order.

If the Adviser uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's investment personnel determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

During the Adviser's last fiscal year, as a result of client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired advice relating to the value of securities, the advisability of investing in securities and analyses or reports about issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts.

Under certain circumstances, the Adviser may permit clients to direct the Adviser to execute the client's trades with a specified broker-dealer. When a client directs the Adviser to use a specified broker-dealer to execute all or a portion of the client's securities transactions, the Adviser treats the client direction as a decision by the client to retain, to the extent of the direction, the discretion the Adviser would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the client's account. Although the Adviser attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case the Adviser will continue to comply with the client's instructions. Transactions in the same security for accounts that have directed the use of the same broker will be aggregated. When the directed broker-dealer is unable to execute a trade, the Adviser will select broker-dealers other than the directed broker-dealer to effect client securities transactions. A client who directs the Adviser to use a particular broker-dealer to effect transactions should consider whether such direction may result in certain costs or disadvantages to the client. Such costs may include higher brokerage commissions (because the Adviser may not be able to aggregate orders to reduce transaction costs), less favorable execution of transactions, and the potential of exclusion from the client's portfolio of certain foreign ordinary shares and/or small capitalization or illiquid securities due to the inability of the

particular broker-dealer in question to provide adequate price and execution of all types of securities transactions. By permitting a client to direct the Adviser to execute the client's trades through a specified broker-dealer, the Adviser will make no attempt to negotiate commissions on behalf of the client and, as a result, in some transactions such clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer and upon other factors such as number of shares, round and odd lots and the market for the security. The commissions charged to clients that direct the Adviser to execute the client's trades through a specified broker-dealer may in some transactions be materially different than those of clients who do not direct the execution of their trades. Clients that direct the Adviser to execute the client's trades through a specified broker-dealer may also lose the ability to negotiate volume commission discounts on batched transactions that may otherwise be available to other clients of the Adviser.

The Adviser often purchases or sells the same security for many clients at or near the same time and using the same executing broker. The Adviser may, but is not obligated to, aggregate client orders for the purchase or sale of the same security submitted at or near the same time for execution using the same executing broker. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. However, in cases where the client has negotiated the commission rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade. In cases where trading or investment restrictions are placed on a client's account, the Adviser may be precluded from aggregating that client's transaction with others. In such a case, the client may pay a higher commission rate and/or receive less favorable prices than clients who are able to participate in an aggregated order. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order from the portfolio manager. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed by the adviser to be fair and equitable to clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating clients.

Item 13. Review of Accounts

The portfolio manager reviews all separate accounts monthly. The portfolio manager reviews each account's performance, compliance with any account restrictions, and allocations of securities transactions. The portfolio manager reviews the private funds daily.

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular client or specific arrangements with particular clients may trigger reviews of client accounts on other than a periodic basis.

Each client that is a separate account will receive quarterly account statements that include the cost and market value of securities positions and performance information as well as quarterly letters. Such reports may be delivered electronically to the client in accordance with the client's agreement with the Adviser. The Adviser also provides investors in the private funds with quarterly newsletters and annual audited financial statements.

A fund's investors receive reports from the fund pursuant to the terms of each fund's offering memoranda or as otherwise described in the offering document of the client.

Item 14. Client Referrals and Other Compensation

As noted above, the Adviser receives certain research or other products or services from broker-dealers. Please see Item 12 for further information on the Adviser's brokerage practices.

Item 15. Custody

Separate account clients will receive account statements from a broker-dealer, bank or other qualified custodian, and such clients should carefully review those statements.

The Adviser also sends quarterly statements directly to separate account clients in addition to those sent by the qualified custodian. Such clients should compare any quarterly statements they receive from their qualified custodian with those received from the Adviser.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority.

Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities. While periodic deviations in allocations are a normal part of the portfolio management process, the Adviser's portfolio manager is expected when requested by the Compliance Officer to memorialize significant deviations in portfolio management decisions by noting the reason why similar accounts are being traded differently.

Securities acquired by the Adviser for its clients through an initial public offering (IPO) or limited offering will be allocated pursuant to procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those client accounts eligible to hold such securities. Eligibility will be based on the legal status of the clients and the client's investment objectives and strategies.

The Adviser may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or redemptions or contributions or subscriptions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless client consent has been obtained based upon written disclosure to the client of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA. Cross transactions involving a registered investment company for which the Adviser serves as adviser are permitted only in accordance with the company's rule 17a-7 procedures.

Item 17. Voting Client Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

The Adviser generally does not accept authority to vote proxies in accordance with individual client guidelines. Any client who wishes to arrange to vote proxies in accordance with their own guidelines may elect to do so at any time by contacting Carolyn Hylton by email at chylton@akrecapital.com or by telephone at (540) 687-8923, so that appropriate arrangements can be made to forward proxies to the client.

If a material conflict of interest between the Adviser and a client exists, the Adviser will not make the decision how to vote the proxy, unless its proxy voting policies and procedures specify how votes generally shall be cast on that particular type of matter, *i.e.* that the Adviser generally will vote “for” or “against” the proposal. Where the policies provide that the voting decision will be made on a “case-by-case” basis or do not address the proposal presented, the Adviser will either request voting instructions from its client or a waiver of the conflict of interest, cast the vote in accordance with the recommendations of an independent proxy voting service, refrain from voting or take other appropriate action to resolve the conflict.

Clients may obtain a copy of the Adviser’s proxy voting policies and procedures and information about how the Adviser voted a client’s proxies by contacting Carolyn Hylton by email at chylton@akrecapital.com or by telephone at (540) 687-8923.

Item 18. Financial Information

This Item is not applicable.

Item 19. Requirements for State-Registered Advisers

This Item is not applicable.

Appendix: Item 2. Material Changes

Other than routine changes made in the connection with the annual update of the Brochure, there have been no material changes to the Brochure since the last annual update.