



FIRM BROCHURE

(Part 2A of Form ADV)

March 20, 2012

McComsey Asset Management, LLC

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of McComsey Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (310) 473-7100 and/or www.mccomseygroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

McComsey Asset management, LLC is registered as an investment adviser with the State of California; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

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

ITEM 2: MATERIAL CHANGES

This Brochure dated March 20, 2012 contains material changes since the last update of the McComsey Asset Management, LLC (“MAM”) Firm Brochure dated May 3, 2011. Specifically, MAM has recently switched from SEC to state registration, and the updates made to this Brochure reflect that the Firm is no longer registered with the SEC and is now registered with the California Department of Corporations (“DOC”). In addition, MAM recently began providing investment management services to a privately offered pooled investment vehicle available to certain sophisticated and accredited investors (the “Fund”). Please note that this summary of material changes discusses only those material changes that have occurred since the last annual update of the Brochure.

MAM encourages each client to read the Brochure carefully and to call us with any questions you may have. In particular, please note that the following Items contain additional information not found in prior versions of MAM’s Form ADV Part 2A:

Item 4 – Advisory Business: This Item contains new information pertaining to the fact that MAM is no longer registered with the SEC and is now registered as an investment adviser in the state of California. In addition, this Item includes information pertaining to the advisory services MAM provides to the Fund.

Item 5 – Fees and Compensation: Material changes to this Item include the addition of the types of fees and the fee schedule for the Fund.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss: Item 8 contains information relating to MAM’s methods of analysis, investment strategies, and risks attributable to the Fund.

Item 10 – Other Financial Industry Activities and Affiliations: Item 10 contains additional information pertaining to the relationship between MAM and the general partner of the Fund and the potential conflicts of interest presented by this relationship.

Item 19 – Requirements for State-Registered Advisers: Item 19 contains certain information applicable to state-registered which was not previously required while MAM was registered with the SEC.

Pursuant to applicable regulations, MAM will ensure that clients receive, within 120 days of the close of MAM’s fiscal year, either (i) a free updated Brochure that includes a summary of any material changes to this Brochure or (ii) a summary of material changes that includes an offer to provide a copy of the updated Brochure and information on how to obtain the Brochure. Additionally, as the firm experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. MAM’s Brochure is available upon request by contacting our Chief Compliance Officer at 310) 473-7100. For more information about the firm, please visit www.mccomseygroup.com.

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ITEM 4: ADVISORY BUSINESS**A. Description of Firm**

McComsey Asset Management, LLC (“MAM” or the “Firm”) is a Los Angeles, California based investment management firm, founded in 2005. MAM currently is registered with the state of California as an investment adviser and organized under the laws of the State of Delaware as a Limited Liability Company.

MAM is currently registered with the State of California as an investment adviser and conducts business in California, Oregon, Missouri, New York, Illinois, Alaska, Texas and internationally. This is reflected in Part 1 of our Form ADV, a copy of which can be found on www.adviserinfo.sec.gov.

B. Principal Owners

McComsey Asset Management, LLC is owned by Mark E. McComsey, Managing Director and CIO, and James T. McComsey, Senior Partner and Co-Founder.

C. Types of Advisory Services Offered

MAM is a large cap growth equity manager that focuses on managing discretionary growth equity portfolios for high net worth and institutional clientele. MAM generally requires a minimum account size of \$500,000 for its Separately Managed Accounts (“SMA”) investment management services, but MAM may waive account minimums at its sole discretion.

MAM currently provides investment advisory services on a discretionary basis to a privately offered pooled investment vehicle (“Fund”) available to high net worth individuals and businesses who are “accredited investors” as the term is defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”). The Fund’s investment objective is to seek absolute returns. Prospective investors are provided with a Confidential Private Placement Memorandum (the “Offering Memorandum”) and other documentation that detail the investment objectives, risks, fees, and other important information about the Fund. It is important that each potential qualified investor fully read the Private Fund’s offering materials prior to investing.

MAM may also serve as a sub-advisor to other investment advisers.

D. Individually Managed Accounts

McComsey Asset Management intends to provide discretionary investment advice and management to individually managed accounts. It also intends to hold a limited power of attorney to act on a discretionary basis with client funds. MAM will not maintain possession or custody of the funds or securities of any client. Client funds will typically be deposited in either a brokerage firm or bank custodian account. With client consent via the written investment management agreement, MAM may cause fees to be paid out of individually managed accounts by the client’s custodian. When it does so, MAM will take steps to comply with the requirements

of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), which governs the custody of funds and/or securities of clients by investment advisers.

Generally, and except to the extent that a client otherwise instructs MAM in writing, MAM will vote (by proxy or otherwise) in all matters for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held in the client’s account in such manner as MAM deems appropriate.

Clients may impose reasonable guidelines and/or restrictions on investing in certain securities or types of securities. For example, a client may specify that the investment in any particular stock, industry, or sector should not exceed specified percentages of the portfolio’s value. All such guidelines and restrictions must be communicated to MAM in writing. There may be times when certain restrictions are placed by a client, which prevents MAM from accepting or continuing to manage the client account. MAM reserves the right to not accept and/or terminate management of a client’s account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining the account’s overall investment strategy.

E. Advisory Agreements

Prior to engaging MAM to provide investment management services, each client is required to enter into a written investment management agreement with the Firm, which will describe the management fees to be charged and the terms and conditions under which MAM will render its services. MAM will provide a Brochure and one or more Brochure Supplements to each client or prospective client prior to or at the same time a client executes MAM’s investment management agreement. MAM will continue to provide services until terminated by the client or MAM in accordance with the provisions outlined within the agreement.

F. Assets Under Management as of December 31, 2011

Type of Account	Assets Under Management ("AUM")
Discretionary:	\$49,063,922
Non-Discretionary:	\$5,318,163
Total:	\$54,382,085

The amount of client assets managed by MAM indicated above is calculated in the same manner as the Firm’s Regulatory Assets Under Management, as reported in response to Item 5.F (2) of the Firm’s Form ADV Part 1A. Accordingly, this amount includes all assets of the Fund, regardless of the nature of such assets, including any uncalled capital commitments. The Firm will update this information in future amendments to this Form ADV Part 2A.

ITEM 5: FEES AND COMPENSATION

As noted above, the client will be required to enter into a written investment management agreement with MAM setting forth the terms and conditions, including those fees under which

MAM shall render its services. Such fees are subject to negotiation under certain circumstances and at the sole discretion of the Firm.

A. Separately Managed Accounts

Portfolio compensation will be determined based on each client's needs and any applicable portfolio restrictions. A client's risk tolerance and investment needs will be determined through an interview which will be conducted either in person or over the telephone. MAM generally requires a minimum account size of \$500,000 for its Separately Managed Accounts (SMA) investment management services, but MAM may waive account minimums at its sole discretion.

The annual management fee for discretionary investment management services for individually managed accounts will be in accordance with the following fee schedule:

Assets Under Management Annual Fee Percentage:

- First \$5 million 2.0%
- Next \$5 million 1.0%
- Next \$15 million 0.9%
- Next \$25 million and over 0.8%

The Fee is payable quarterly in advance. Each client account will pay the initial fee on the effective date of the investment management agreement between client and MAM. The initial fee will be based on the value of the assets in the client account on the effective date, and will cover the period from the effective date through the last business day of the initial calendar quarter. The initial fee will be pro-rated accordingly. Thereafter, the quarterly fee will be based on the value of the assets in the client account on the last day of the calendar quarter and will become due the tenth business day of the following quarter. If the investment management agreement is terminated by either party after five (5) business days of its signing, client will be entitled to a pro rata refund of any prepaid fees based on the number of days remaining in the calendar quarter after the date upon which notice of termination is received by MAM or is provided by MAM to client.

B. Performance-Based Fee Accounts

MAM will also offer certain qualified clients a performance-based fee schedule. In order to be eligible for this type of fee schedule, a client must either demonstrate a net worth of \$2,000,000 or at least \$1,000,000 under management with MAM. The performance-based fee is generally a fixed percentage of the profits (including realized and unrealized gains and losses) but is negotiable in the sole and absolute discretion of MAM. A performance fee arrangement with a client may also take the form of a fulcrum fee whereby the asset-based fee paid to MAM may increase or decrease depending on the performance of the account in question relative to that of a benchmark.

For those clients whose investments under management will include securities for which market quotations are not available, MAM will value those investments fairly and in good faith. Under

certain circumstances, such as for ERISA clients, an independent person may be engaged to value such investments.

C. Private Fund Fees

MAM serves as the General Partner of a Delaware limited partnership, which is a privately offered pooled investment vehicle available to certain sophisticated and accredited investors (the “Partnership” or “Fund”). For its services in managing and supervising the Partnership’s investments, the General Partner will receive a monthly management fee (the “management fee”), as well as a profit allocation or carried interest (“profit allocation”).

Each investor will have a capital account (“Capital Account”) with the Partnership, to which net profits and net losses will be allocated. The management fee is payable in advance equal to 1/12 of 1.0% (1.0% annually) based on the aggregate capital account balances of the investors at the beginning of that month. The management fee shall be deducted from the investor’s capital account on the first day of each calendar month. For purposes of determining the management fee, a third party fund administrator makes a good faith valuation of the partnership’s assets based on the valuation guidelines set forth in the Fund’s partnership agreement and the Fund’s Private Placement Memorandum. Investors who are permitted by the general partner to contribute capital on a date other than the first day of the calendar month are charged a prorated management fee as to that contribution. The General Partner, in its sole discretion, may waive all or a portion of the management fee as to an investor, or may agree with an investor to other changes in the management fee with respect to that investor.

The General Partner will receive a profit allocation or carried interest (“profit allocation”) equal to twenty percent (20%) of the net profit allocated to each investor’s capital account (including net investment income, net realized and unrealized gains allocated as investor’s capital account) at the end of each fiscal year (December 31) (the “performance period”), or on an earlier withdrawal of the investors, as to amounts withdrawn. In no case shall interests attributable to the General Partner or its respective principals beat the profit allocation. If an investor makes a withdrawal prior to the end of a performance period, the profit allocation applicable to such withdrawal interests will be charged as of the date of withdrawal. The profit allocation at the end of the performance period, which includes such partial withdrawal, will be adjusted to reflect the prior profit allocation.

The partnership will maintain a loss carry forward account for each investor (a “loss carry-forward account”). Each investor’s loss carry-forward account will be debited with any net loss (taking into account the investor’s share of the management fee) allocated to such investor’s capital account. The General Partner will not be allocated any profit allocation with respect to an investor’s capital account until such investor has recovered all amounts debited to its loss carry-forward account (as adjusted for any withdrawals of capital from such investor’s capital account). This loss carry-forward account effectively imposes a “high water mark” on each investor’s capital account so that the General Partner does not receive a profit allocation for recovering past losses incurred by an investor. Any profit allocation earned or allocated to the General Partner with respect to a particular period is not subject to reduction, refund or “claw-back” based on subsequent changes in an investor’s loss carry-forward account.

The General Partner, in its discretion, may waive all or a portion of the profit allocation as to an investor, or may agree with an investor to other changes in the profit allocation with respect to that investor.

Additional details regarding the specific fees charged to the Fund are set forth in the Fund's Offering Memorandum and Limited Partnership Agreement. All prospective investors should carefully read the Offering Memorandum prior to investing.

D. Termination

An agreement for an individually managed account may be cancelled at any time, by either party, for any reason, upon receipt of thirty (30) days' written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable.

E. Fee Comparison

Although MAM believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As mentioned in Item 5, MAM offers a fee alternative in the form of specifically negotiated performance fee arrangements (*i.e.*, fees calculated based on a share of capital gains or on capital appreciation of the funds or any portion of the funds of an advisory client). Performance-based fees for separately managed accounts typically provide for a fixed base fee below the level of the standard fixed fee, plus a negotiated performance factor (percentage of profits) that may exceed the fixed fee rate.

Performance fees are subject to negotiation with *qualified clients* (which generally refers to a client that immediately after entering into the contract has at least \$1,000,000 under the management with MAM, or a client who has a net worth exceeding \$2,000,000 or is a qualified purchaser). All performance fee arrangements will be structured in accordance with Section 260.234 of the California Code of Regulations and Rule 205-3 of the Investment Adviser's Act of 1940, as amended (the "Advisers Act"). In measuring clients' assets for the calculation of performance-based fees, MAM shall include realized and unrealized capital gains and losses.

In addition, as noted above in Item 5. C, MAM charges a performance-based fee in the form of a special allocation of net profit (an "Incentive Allocation") equal to 20% of the net profits (including both realized and unrealized gains and losses) allocated to limited partners of the Fund. The Incentive Allocation is calculated and made annually as soon as practicable following the end of each fiscal year of the Fund. The Incentive Allocation is only chargeable to limited partners eligible to be charged performance based fees under Section 260.234 of the California Code of Regulations and Rule 205-3 under Advisers Act. Once an Incentive Allocation is made, it will not be subject to reversal, even if there are losses in later periods. MAM may, in its sole

discretion, vary or waive the Incentive Allocation as to particular limited partners by separate agreement.

Importantly, performance based fee arrangements may create an incentive for MAM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Additionally, the performance-based fee structure could also cause the portfolio manager responsible for the portfolios to devote a disproportionate amount of time to their management, and compensation may be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management.

MAM has procedures designed and implemented to ensure that all clients are treated fairly and equitably, and to prevent any potential conflict from influencing the allocation of investment opportunities among clients. All portfolios invested in a MAM strategy are allocated and traded based on a strategy model portfolio. Exceptions to this are client based restrictions, order aggregation, client based cash flow changes or cash mandates. MAM procedures are designed to prevent any potential conflict from influencing the allocation of investment opportunities among clients or to favor one account or strategy over another

ITEM 7: TYPES OF CLIENTS

A. Description

As stated in Item 4, MAM currently provides discretionary investment management services to individually managed accounts for individuals and institutional clients. As noted above, MAM also provides discretionary investment management services to a private fund. MAM may also serve as a sub-advisor to other investment advisers.

As mentioned under Item 4, above, clients may impose reasonable guidelines and/or restrictions on investing in certain securities or types of securities. There may be times when certain restrictions are placed by a client, which prevents MAM from accepting or continuing to manage the client account. MAM reserves the right to not accept and/or terminate management of a client's account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining the account's overall investment strategy.

B. Conditions for Managing Accounts

For separately managed accounts, MAM generally requires a minimum of \$500,000 of assets under management, but may waive this minimum in its discretion.

The minimum initial investment for the Fund is one million dollars (\$1,000,000), although MAM may vary or waive the minimum investment in its sole discretion. Moreover, MAM reserves the right accept or reject any investment in its sole discretion. An investment in the Fund is available only to a limited number of sophisticated investors who generally meet the definition of

“accredited investor” under Regulation D of the Securities Act and are “qualified clients” within the meaning of Rule 205-3 of the Advisers Act.

Prior to being admitted as a limited partner of the Fund, prospective investors will be required to complete an Investor Questionnaire, calling for detailed information about the prospective investor’s financial qualifications, sophistication, and experience sufficient to determine the prospective investor’s eligibility to become a limited partner of the Fund. Additionally, pre-qualified investors will receive a copy of the confidential Offering Memorandum and all subscribers are required to execute a Subscription Agreement containing certain representations and warranties and setting forth the terms and conditions of an investment in the Fund, including the adoption of the Fund’s Limited Partnership Agreement.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Philosophy

MAM strives to outperform key indices in bull and bear markets by employing a consistently back-tested, adaptive investment strategy. Risk is mitigated through our effective sell discipline, which attempts to recognize deterioration early and prevent selling winners too soon. We invest in liquid, growing large capitalization companies with low debt, while adhering to diversification discipline to minimize risk.

MAM’s growth philosophy is founded on analysts’ earning estimate revisions with an objective of high alpha and low risk. MAM believes a strong sell discipline is crucial in achieving a goal to outperform in up and down markets.

The Fund’s investment objective is to seek absolute returns. There can be no assurance that the investment objective of the Fund will be achieved in any particular period or over the life of the Fund. An investment in the Fund involves substantial risk and potential for loss of principle.

B. Methods of Analysis and Investment Strategies

MAM’s investment process involves both quality and growth screens. Beginning with a broad universe of successful companies, we search for essential equity characteristics of large capitalization, profitability, high liquidity, and low company debt. On an ongoing basis, we back-test these screens and factors and adapt our model accordingly. We systematically use these optimally weighted factors to filter the universe down to more stable businesses which still retain a foundation for growth.

In our pursuit of superior growth companies, we further refine our investable universe by searching for stocks experiencing positive earnings estimate revisions for 12 & 24 month forward looking periods. We require multiple positive revisions forecasted by accurately ranked analysts. To ensure breadth and depth of estimate accuracy, we systematically track and rank analyst earnings estimates.

The highest ranked investment candidates are further examined by our investment team to assess

valuation, industry dynamics, competitors as well as any unforeseen company specific risk, such as management change or major litigation. The final outcome is an integrated buy and/or sell decision.

Diversification Principles

We seek to reduce risk through diversification disciplines. We require participation in at least 10 of 17 Zacks economic sectors. Furthermore, we limit individual sector exposure to 30 percent on an initial basis and 40 percent on an appreciated basis. On an individual security level, we limit position sizes to 5 percent or less on an initial basis and 7 percent on an appreciated basis. This approach results in a portfolio of stocks that are diversified on a sector as well as company specific basis. Although we seek to remain fully invested, we will observe higher cash levels in the event that there are no qualifying candidates to replace sells. Portfolios are monitored by our firm on an ongoing basis.

Sell Guidelines

Our sell discipline is characterized by two parts:

First, we rebalance our portfolios in adherence to the diversification principles outlined above. Portfolio holdings are trimmed in order to introduce new purchases to the portfolio. Rebalancing according to our guidelines attempts to ensure that we realize profit and reduce risk by maintaining diversification.

The second element of our sell discipline is the process of fully divesting a position. Once added to the portfolio, a stock is monitored regularly for changes in the key factors used in the purchase decision. We pay special attention to any material cuts in key analyst earnings forecasts, as well as other fundamental metrics in determining whether a company is entering a negative earnings cycle. Any holding-specific compliance reasons such as legal or fraud issues, change in company structure (M&A), or similar may trigger a sell.

MAM employs two different investment strategies:

Earnings Revision Growth (ERG) Strategy: This strategy seeks long-term capital growth by investing primarily in securities of large companies through a disciplined, broadly diversified portfolio of approximately 25 to 40 stocks. This strategy generally invests in profitable companies that have low debt and are experiencing positive, timely and sustainable change. Although the securities are not equal weighted, diversification is enforced through participation in at least 10 of 17 major Zacks economic sectors of the economy. Sector concentration is avoided by the 30/40 rule whereby no single economic sector can be more than 30% of the portfolio initially or 40% on an appreciated basis. This approach results in a portfolio of stocks that are diversified on a sector as well as company specific basis with an average position in the 3-5% range. On an individual security basis, positions are limited to a maximum 7% initial value of the portfolio and are rebalanced periodically. Although we seek to remain fully invested, we will observe higher cash levels in the event that there are no qualifying candidates to replace sells. Portfolios are monitored by our firm on an ongoing basis.

Hedged Earnings Revision Growth (HERG) Strategy: The investment strategy employed by the Fund, as well as separately managed accounts, is referred to as the Hedged Earnings Revision Growth (“**HERG**”) strategy, which invests primarily in securities of large companies through a disciplined, broadly diversified portfolio of approximately 25 to 40 stocks. The strategy focuses on companies that are experiencing positive earnings estimate revisions. This strategy invests in profitable companies that have low debt and are experiencing positive, timely and sustainable change by factors the Adviser can quantify. Risk management is further pursued through stock selection of companies with healthy balance sheets and by employing strict diversification guidelines. Diversification is enforced through participation in at least half of all major economic sectors of the economy. This approach results in a portfolio of stocks that are well diversified on a sector as well as company specific basis. Average position size is typically in the 3-5% range. Active hedging is employed to protect against negative earnings cycles. During hedge periods, HERG will reduce long equity market exposure by shorting broad market instruments and/or reducing existing long equity positions. Net equity market exposure may be positive or negative during hedge periods. Upon reversal of the hedge signal, HERG will close the broad market short position and resume being fully invested in the strategy stocks.

C. Risk of Loss

MAM’s investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client’s account, which clients should be prepared to bear. There can be no assurance that a client’s investment objectives will be obtained and no inference to the contrary is being made. Prior to entering into an investment management agreement with MAM, a client should carefully consider: (1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years, (2) that volatility from investing in the stock market or other securities can occur, and (3) that over time the client’s assets may fluctuate and at anytime be worth more or less than the amount invested. Below are risk definitions that may apply to certain client portfolios.

- **Market Risk:** The client’s account is subject to market risk—the risk that the securities markets will increase or decrease in value. Market risk applies to every security. Security prices may fluctuate widely over short or extended periods in response to market or economic news and conditions. Securities markets also tend to move in cycles, with periods of rising security prices and periods of falling security prices. If there is a general decline in the securities markets, it is possible a client’s investment may lose value regardless of the individual results of the companies in which MAM invests.
- **Common Stock Risk:** Common stocks are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company’s business performance, investor perceptions, stock market trends and general economic conditions. The rights of common stockholders are subordinate to all other claims on a company’s assets including

debt holders and preferred stockholders; therefore, the client's account could lose money if a company in which it invests becomes financially distressed.

- Growth Style Investing Risk: Growth stock prices reflect projections of future earnings or revenues, and may fluctuate if the company fails to meet those projections.
- Short Sales Risk: A short sale is a transaction in which the portfolio sells a security it does not own in anticipation of a decline in the market price of the security. A portfolio is obligated to deliver the security at the market price at the time the short position is closed. Possible losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested.
- ADRs Risk: ADRs are certificates of ownership issued by a U.S. bank that represent indirect ownership of a certain number of shares of a specific foreign firm. Shares are held on deposit in a bank in the firm's home country. ADRs carry political risk regarding the stability of the local governments of the underlying company, currency/exchange rate risk which can cause a depreciation in the price of the underlying shares, and hence a diminishing of value of the ADR, and inflationary risk which is related to exchange rate risk.

MAM does not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as MAM are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of MAM or the integrity of its management. MAM does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MAM serves as the investment manager and General Partner of the Fund, which is organized as a limited partnership for the purposes of investing in publically traded securities. MAM recognizes that its management of the Fund and other client accounts may give rise to potential material conflicts of interest between the Fund and other client accounts. MAM has adopted policies and procedures to mitigate these conflicts, including the obligation to act in the best interest of all clients for which MAM provides investment management services. The Fund invests primarily in equity securities with the opportunistic use of short positions and derivative securities. Restrictions on the ownership of securities of the Fund are further described in the Fund's Offering Memorandum.

Neither MAM nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Additionally, neither the Firm nor any member of its management are registered, or have an application

pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of these entities. MAM does not recommend or select other investment advisers for direct or indirect compensation.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Summary of Code of Ethics

MAM recognizes that the personal investment transactions of its members and employees demand the application of a high code of ethics, and MAM requires all transactions to be carried out in a way that does not endanger the interest of any client. At the same time, MAM believes that if investment goals are similar for clients and for MAM and its employees, it is logical and even desirable that there be a common ownership of some securities. Therefore, in order to address possible conflicts of interest, MAM has procedures with respect to transactions effected by MAM and its employees for their personal accounts. In order to monitor compliance with its personal trading policy, MAM has a quarterly securities transaction reporting system. For purposes of the policy, an employee's personal account generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the employee is a trustee or executor, or (c) which the employee controls, including MAM's client accounts which the employee controls and in which the employee of his/her household has a direct or indirect beneficial interest.

MAM's Code of Ethics sets standards of employee conduct and includes policies and procedures governing employee personal trading in securities. The Code of Ethics requires employees to obtain pre-approval of certain investments and to report their personal securities holdings and transactions. MAM has put these procedures in place with the intent of controlling any conflicts of interest that could arise with regard to employee and client trading activity. While MAM believes the policies and procedures are comprehensive, there is a possibility that the procedures may not succeed in detecting violations of the MAM's policies. Additionally, MAM obtains information from a wide variety of publicly available resources. MAM and its employees do not have, nor claim to have, insider or private knowledge. To ensure insider trading does not take place and to address the conflicts of interest regarding obtaining confidential information, MAM has adopted a firm wide policy statement outlining insider-trading compliance by MAM and its employees within the Code of Ethics. A copy of the Code of Ethics is available upon request.

ITEM 12: BROKERAGE PRACTICES

MAM will generally seek "best execution" in light of the circumstances involved in transactions. In selecting a broker for any transactions, MAM may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. MAM will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction.

A. Relationship with Schwab and B of A Merrill Lynch

MAM may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab") and/or B of A Merrill Lynch & Co. ("Merrill Lynch") each a registered broker-dealer and member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. MAM is independently owned and operated and is not affiliated with either firm. Each broker-dealer may provide MAM with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least a certain amount of the advisor's clients' assets is maintained in accounts at the broker-dealer and is not otherwise contingent upon MAM committing to any specific amount of business. The services also include brokerage, custody, research, and access to other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

B. Prime Brokerage

MAM has established, on behalf of the Fund, a prime brokerage arrangement with a broker-dealer (the "Prime Broker"). Through this arrangement, the Prime Broker will provide certain recordkeeping services and perform the following functions, among others: (1) arrange for the receipt and delivery of securities bought, sold, borrowed, and lent by the Fund; (2) make and receive payments for securities; (3) maintain custody of cash and securities owned by the Fund; (4) deliver cash to the Fund's bank accounts; and (5) tender securities in connection with tender offers, exchange offers, mergers, or other corporate reorganization. The Prime Broker also provides detailed portfolio and related reports pertaining to the Fund. MAM may also cause the Fund to pay the Prime Broker for custodial and related services either in cash or by allocating a portion of its securities transactions to the Prime Broker. MAM's arrangement with the Prime Broker permits the Firm to maintain a single custodial relationship for the Fund, while using other brokers (in addition to the Prime Broker) to execute transactions on behalf of the Fund, thereby permitting MAM to seek valuable research and to compare execution quality and commission rates.

C. Order Aggregation

MAM will perform investment management services for various clients. There will be occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by MAM, some of which may have similar investment objectives, as well as for the accounts of one or more of MAM's employees. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when MAM believes that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

D. Brokerage Direction

In some instances, because of a prior relationship between a client and one or more brokers, or for other reasons, a client may instruct MAM to execute some or all securities transactions for its account with one or more brokers designated by the client. In such cases, the client is responsible for negotiating the terms and conditions relating to all services to be provided by such brokers, and that the client is satisfied with such terms and conditions. MAM will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with the broker for such client's account. The client must recognize that it may not obtain rates as low as it might otherwise obtain if MAM had discretion to select broker-dealers other than those chosen by the client. Any client providing instructions to MAM regarding direction of brokerage transactions must notify MAM in writing if the client desires MAM to cease executing transactions with such broker-dealer.

E. Handling Trade Errors

Errors created in a client account must be corrected so as not to harm any client. The goal of error correction is to make the client "whole", regardless of the cost to MAM. The firm will correct any trade errors made in a client's account by allocating the trade to MAM's operating account. Then the corrected and intended allocation will be sent to client's account.

ITEM 13: REVIEW OF ACCOUNTS**A. Review of Accounts and Triggers**

On a daily basis, each client's trade confirmations are compared with order executions to ensure there are no discrepancies. At any time, a review of a client's account can be triggered by changes in the market value of the portfolio's securities, changes in the general market itself, changes in the economy and interest rates, as well as additions of cash to or withdrawals from the account.

B. Reviewers

Reviews are conducted by members of the Firm's investment team and operations. The following is a list of MAM's investment professionals who conduct the Firm's periodic reviews:

Mark McComsey, Managing Director and Chief Investment Officer
Arman Melikian, Associate Analyst
Ivan Jevremovic, Chief Compliance Officer and Operations Manager

C. Regular Reports

MAM will provide quarterly reports to clients which reflect general account performance and holdings. Clients are urged to carefully compare statements sent by the other third parties, such as those sent by the client's custodian. Clients should review the fees charged to their account(s) to fully understand the total amount of all fees charged. Clients are encouraged to review their account statements for accuracy.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Soft Dollars

MAM's policy is to comply with the provisions of Section 28(e) of the Exchange Act ("Section 28(e)") when entering into soft dollar arrangements. Section 28(e) allows investment advisers to use client commissions to pay for brokerage and research services under certain circumstances without breaching their fiduciary duties to clients. This practice is commonly referred to as "soft dollars". Brokerage and research services may include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and custody) and providing research information regarding the economy, industries, sectors of securities, individual companies, statistical information, taxation; political developments, legal developments, technical market action, pricing and appraisal services, credit analysis; risk measurement analysis and performance analysis. Such research information can be received in the form of written reports, telephone conversations, personal meetings with security analysts and/or individual company management, and attending conferences. The research services provided by a broker may be proprietary (*i.e.*, provided by the broker providing the execution services) and/or provided by a third party (*i.e.*, originates from a party independent from the broker providing the execution services).

Under Section 28(e), advisers may cause clients to pay brokerage commissions that are in excess of commissions that another broker might have charged for effecting the same transaction, so long as such adviser makes a good faith determination that the amount of commissions paid are reasonable in relation to the value of the brokerage and research services received. This must be viewed in terms of either the specific transactions or an adviser's overall responsibility to the accounts for which it exercises investment discretion. Section 28(e) also permits advisers to use the research services provided by brokers to service any or all of the adviser's clients, and the services also may be used in connection with clients other than those making the payment of commissions.

MAM has access to certain proprietary research from Schwab, BTIG, and B of A Merrill Lynch due to the fact that MAM clients custody and/or transact their account assets with the above mentioned firms. In addition, MAM receives certain other indirect benefits from these firms due to this arrangement. To address this conflict of interest, MAM monitors and performs periodic reviews of the quality of execution and services provided by Schwab, BTIG, and B of A Merrill Lynch to help ensure that clients are receiving the best overall deal (also known as "best execution").

Importantly, clients should understand that the use of soft dollars by MAM may be deemed to be an indirect economic benefit to MAM, which creates a conflict of interest between MAM and its clients.

B. Compensation for Client Referrals

MAM may also employ solicitors to whom it will pay cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice will be disclosed in writing to the client and MAM will comply with the other applicable requirements under Rule 206(4)-3 under the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely out of MAM's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to MAM by an unaffiliated solicitor, the solicitor shall provide the client with a copy of MAM's Form ADV Part 2 (the "Brochure") and a copy of the solicitor's disclosure statement, which contains the terms and conditions of the solicitation arrangement, including compensation. The solicitor is required by MAM to obtain the client's signature acknowledging receipt of MAM's Brochure and the solicitor's disclosure statement. Since some states require a solicitor to be qualified and registered as an investment adviser representative, MAM has developed internal controls to address these requirements.

C. Other Compensation

The brokers-dealers that custody MAM client accounts may charge an annual account fee separately for custody and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the brokers or that settle into the accounts held with the broker-dealers. Each broker also makes available to MAM other products and services that benefit MAM but may not benefit its clients' accounts. Please see Item 14 A.

MAM endeavors to act in its clients' best interests as a fiduciary, and MAM's recommendation that clients maintain their assets in accounts at a broker-dealer may be based in part on the benefit to MAM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the broker, which may create a potential conflict of interest.

ITEM 15: CUSTODY

MAM will be deemed to have custody of client funds because the Firm has the authority and ability to debit its fees directly from clients' accounts. To mitigate any potential conflicts of interests, all MAM client account assets will be maintained with an independent qualified custodian.

Notably, in most cases a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost. Clients should be aware, however, of the differences between having their assets custodied at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

MAM may only implement its investment management recommendations after the client has arranged for and furnished MAM with all information and authorization regarding its accounts held at the designated qualified custodian.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to any performance reports that may be provided by MAM. MAM's performance reports for client separately managed accounts may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

In addition, MAM may also be deemed to have custody of client assets based solely on the fact that its Managing Director serves as a General Partner to a Limited Partnership. Advisers with custody are generally required to undergo an independent verification of the assets for which the adviser has custody through an annual surprise examination by an independent certified public accountant. MAM will be deemed to have complied with this requirement with respect to the accounts of the Fund because the Fund is subject to annual audit by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules and the audited financial statements prepared in accordance with generally accepted accounting principles are distributed to all limited partners within 120 days of the end of the Fund's fiscal year. The Fund is also subject to audit upon liquidation and the audited financial statements are distributed to all limited partners promptly after the completion of such audit.

ITEM 16: INVESTMENT DISCRETION

A. Discretionary Authority; Limitations

MAM will have discretionary authority via the investment management agreement to make the following determinations without obtaining the consent of the client before the transactions are effected:

- which securities are to be bought or sold
- the total amount of the securities to be bought or sold
- through which brokers securities are to be bought or sold
- the commission rates at which securities transactions for client accounts are effected

MAM's authority may be subject to conditions imposed by the client, examples of which may include: 1) where the client restricts or prohibits transactions in securities of a specific industry, and/or 2) the client directs that transactions be effected through specific broker-dealers. The latter restriction may be conditioned by the client on the broker-dealer being competitive as to price and execution for each transaction, or offering a specified level of commission discount or may be subject to varying degrees of restrictions such as an instruction to utilize the broker-dealer: a) whether or not competitive, and b) where the specified levels of commission discounts are less favorable than might otherwise be obtained by the firm.

B. Limited Power of Attorney

By signing MAM's investment management agreement, clients authorize MAM to exercise full discretionary authority with respect to all transactions involving the client's account. Pursuant to such agreement, MAM is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes MAM to give instructions to third parties in furtherance of such authority.

ITEM 17: VOTING CLIENT SECURITIES

MAM votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. MAM's proxy voting policy is as follows:

MAM has retained Broadridge's ProxyEdge, an independent third-party, to provide research, recommendations and voting services on proxy voting issues. MAM has instructed ProxyEdge to make voting decisions on behalf of each of MAM's accounts based on the considerations described in the proxy voting guidelines ProxyEdge periodically provides to MAM. MAM may override ProxyEdge's voting decisions if MAM deems it in the best interests of MAM's accounts. If MAM does not affirmatively override ProxyEdge's recommended voting decision, ProxyEdge will vote in accordance with its recommendation.

Notwithstanding the possibility that a material conflict of interest over proxy voting may arise between MAM and a client, MAM believes that it places the interests of its clients ahead of MAM's own interests by following ProxyEdge's recommendations. If a material conflict of interest over proxy voting arises between MAM and a client, MAM will rely on the recommendations of ProxyEdge.

Clients may obtain a copy of MAM's Proxy Voting Policy and voting record cast on behalf of that client by contacting MAM.

ITEM 18: FINANCIAL INFORMATION

MAM does not require or solicit prepayment of fees six months or more in advance or more than \$500 in fees per client, and therefore is not required to provide, and has not provided, a balance sheet. MAM does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.

ITEM 19: REQUIREMENT FOR STATE-REGISTERED ADVISERS**A. Principal Executive Officers**

Mark E. McComsey, Managing Director and Chief Investment Officer and James T. McComsey are the principal owners, principal executive officers of the firm, and as such are control persons of MAM. Detailed information regarding their formal education and business background is outlined in their respective Form ADV Part 2B. This document is provided to new clients, can

be obtained upon request, and also viewed on the SEC's public website at www.adivserinfo.sec.gov.

B. Outside Business Activity

MAM is not actively involved in any other outside business activities.

C. Performance-based Fees

As noted in response to Items 5 and 6 above, MAM charges performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) to certain "qualified clients" as that term is defined in Rule 205-3 of the Advisers Act and Section 260.234 of the California Code of Regulations. Please refer to Items 5 and 6 for additional information.

All performance-based fees will be calculated and charged in accordance with the provisions of Section 260.234 of the California Code of Regulations. Please refer to Item 6 above for additional information about the potential conflicts of interest involved in such performance fee arrangements.

D. Disciplinary or Legal Events

In addition to any event listed in Item 9 of Part 2A, state-registered investment advisers such as MAM are required to disclose all material facts regarding arbitration awards in excess of \$2,500 involving certain investment-related activities involving the Firm or any of its management persons. Neither MAM nor any of its management persons have any arbitration disclosures required to be disclosed with respect to this Item.

E. Relationship with Issuer of Securities

As noted above, MAM's Managing Director is the general partner of a privately offered pooled investment vehicle that issues securities to certain sophisticated and accredited investors in accordance with Rule 506 of Regulation D. Other than MAM's relationship with the Fund and its general partner, neither MAM nor any of its management persons have any relationships or arrangements with any issuer of securities.

F. Disclosure of Material Conflicts of Interest

All material conflicts of interest under CCR Section 260.238(k) have been disclosed about MAM, its representatives and employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.