

SOUTH GEORGIA CAPITAL, LLC

PART 2A OF FORM ADV

INVESTMENT ADVISER BROCHURE

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This investment adviser brochure (“**Brochure**”) provides information about the qualifications and business practices of South Georgia Capital, LLC (“**South Georgia Capital**”). If you have any questions about the contents of this Brochure, please contact us at 630-784-2200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

South Georgia Capital is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information about South Georgia Capital is also available on the SEC’s website at: www.adviserinfo.sec.gov.

MATERIAL CHANGES

South Georgia Capital's most recent update to Part 2 of Form ADV was made in January 2011. South Georgia Capital's business activities have not changed materially since such update; however, South Georgia Capital has substantially amended the form of its disclosures since that date. This Brochure, which reflects those changes, differs from brochures used by South Georgia Capital in prior years.

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ADVISORY BUSINESS

South Georgia Capital, a Delaware limited liability company and a registered investment adviser, provides investment advisory services to its clients, which include individuals, business entities, trusts, estates, pension and profit sharing plans and private investment funds operated by it ("**Funds**"). South Georgia Capital was founded in November 2008 and is ultimately owned and controlled by Michael McAlister and Bruce Anderson. As of December 31, 2011, South Georgia Capital managed approximately \$114 million on a discretionary basis on behalf of approximately 220 clients.

General Investment Advisory Services

South Georgia Capital allocates client investment assets primarily among various individual equity and fixed income securities, options and futures, exchange-traded funds ("**ETFs**"), mutual funds, and separate account managers, on a discretionary basis in accordance with the client's designated investment objective(s). Clients who invest with South Georgia Capital other than through the Funds may set investment objectives and/or impose restrictions on investing in certain securities or types of securities.

South Georgia Capital may also recommend (on either a discretionary or non-discretionary basis) that clients authorize the active discretionary management of a portion of their assets by and/or among independent investment managers (“**Investment Managers**”), based upon the stated investment objectives of the client, on terms set forth in separate written agreements between each such client and the designated Investment Managers. In such cases, South Georgia Capital continues to render advisory services to the client through ongoing monitoring and reviewing of account performance. South Georgia Capital recommends Investment Managers based on the relevant client’s stated investment objective(s) as well as each Investment Manager’s management style, performance, reputation, financial strength, reporting, pricing and research capabilities.

From time to time, South Georgia Capital may recommend that clients invest in certain private placements and/or pooled investment vehicles managed by unaffiliated third parties selected through South Georgia Capital’s due diligence process. The terms and conditions of these investments are determined on a case-by-case basis after South Georgia Capital has performed its investment due diligence on the respective investment. In such cases, South Georgia Capital continues to render advisory services to the client through ongoing monitoring and reviewing of the performance of such Funds and third parties.

South Georgia Capital may also provide non-discretionary portfolio review/monitoring services for its clients, such as for investment assets that are managed directly by the client or by other investment professionals engaged by the client. Such services provided by South Georgia are limited to periodic review of information pertaining to these assets as may be provided to South Georgia Capital by the client, any other investment professional(s), and/or the account custodian, and do not include discretionary/non-discretionary investment advisory services described above.

Private Investment Funds

South Georgia Capital also provides investment advisory services to Funds that it operates. In providing such services to each Fund, South Georgia Capital formulates its investment objective, directs and manages the investment and reinvestment of each Fund’s assets and provides reports to investors. South Georgia Capital manages the assets of each Fund in accordance with the investment objectives and other terms of the governing documents applicable to each Fund. Although the Funds generally trade directly, South Georgia Capital also operates funds of hedge funds.

Investors in the Funds participate in the overall investment program for the applicable Fund, and generally may not be excused from, or impose restrictions on, particular investments. The Funds or South Georgia Capital may enter into side letters or other similar agreements with certain investors that have the effect of establishing rights under or altering or supplementing the relevant Fund’s limited partnership or operating agreement (each, an “**Operating Agreement**”). Interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements in privately-placed funds within the United States.

FEES AND COMPENSATION

Advisory Fees

Non-Fund clients may determine to engage South Georgia Capital to provide investment advisory services on a fee-only basis. In these cases, South Georgia Capital's investment advisory fee is based upon a percentage (up to 2.50% *per annum*) of the market value of the assets placed under South Georgia Capital's management in accordance with the specific fee schedule attached to the relevant Investment Advisory Agreement, (each, an "**Investment Advisory Agreement**") between South Georgia Capital and the client. For all clients, advisory fees generally are charged as follows:

<u>ASSET CATEGORY</u>	<u>ADVISORY FEE (<i>per annum</i>)</u>
Cash and Self-Directed Accounts.....	0.10%
Managed Bond Portfolios.....	0.65%
Actively Managed Portfolio	1.00 - 1.50%
Reported Assets Held Elsewhere.....	.0003%
Funds	0.50 - 1.00%

South Georgia Capital's advisory fees to non-Fund clients generally are prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Investors in the Funds pay advisory fees quarterly in arrears based upon the market value of the assets on the last business day of the relevant quarter. For non-Fund clients, South Georgia Capital generally requires an aggregate annual minimum fee of \$5,000 for investment advisory services. However, South Georgia Capital, in its sole discretion, may reduce its annual minimum fee and/or charge a lesser investment management fee based upon certain criteria (*i.e.* anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Performance-Based Allocations

South Georgia Capital receives from certain clients (including certain Funds) a performance-based incentive allocation generally equal to 10-20% of net profits, subject to a high water mark, as more fully described in the relevant client's investment advisory agreement (or, in the case of Funds, the relevant limited partnership or operating agreement).

Expenses

In addition to the advisory fees and performance-based allocations described above, clients also bear certain expenses specified in the relevant Investment Advisory Agreement or Operating Agreement, including: custodial fees; brokerage commissions and/or transaction fees charged by the relevant custodians (*i.e.*, transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions); "trade away fees"; charges and fees imposed at the level of exchange-traded funds and/or mutual funds into which clients invest; organizational and operating expenses; fees and expenses charged by

any retained Investment Managers and/or unaffiliated third-party funds; and, in the event a client desires to purchase options, futures and/or commodities for its account, commissions paid to the relevant futures commission merchant.¹ Neither South Georgia Capital nor any of its personnel receives transaction-based compensation in connection with the purchase or sale of securities.

Under the relevant Operating Agreement, each Fund is responsible for expenses incurred by South Georgia Capital on behalf of such Fund including, without limitation: accounting, auditing, tax and tax preparation expenses; legal fees and expenses; professional fees and expenses (including, without limitation, expenses of consultants and experts); investment-related expenses; expenses of investing into or gaining exposure to underlying funds or managers, where applicable; travel expenses; printing and postage expenses; third-party valuation service expenses; bank service fees; blue sky and corporate filing fees and expenses; insurance expenses; initial offering and organizational expenses; fees for the performance of administrative services by the relevant Fund's administrator; extraordinary expenses, *e.g.*, litigation expenses, incurred by the Fund (whether or not required by generally accepted accounting principles as promulgated in the United States); and other Fund expenses as incurred by South Georgia Capital.

Other Information

Both South Georgia Capital's Investment Advisory Agreement and the relevant custodial/ clearing agreement may authorize the custodian to debit the account for the amount of South Georgia Capital's advisory fee and to directly remit such fee to South Georgia Capital in compliance with regulatory procedures. In the limited event that South Georgia Capital bills the client directly, payment is due upon receipt of South Georgia Capital's invoice. The Investment Advisory Agreement between South Georgia Capital and the relevant client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, South Georgia Capital shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

Principals or other employees of South Georgia Capital may receive a portion of the advisory fee, performance-based allocations or other compensation received by South Georgia Capital or its affiliates.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As stated in the "Fees and Compensation" section above, certain clients make performance-based allocations to South Georgia Capital which are based on a share of capital gains on or capital appreciation of such client's assets. The fact that South Georgia Capital is compensated based on the trading profits may create an incentive for South Georgia Capital to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. Performance-based allocations may create an incentive for South Georgia Capital to favor accounts that make performance-based allocations over accounts that do not make such allocations. In addition, the performance-based allocation received by South Georgia Capital

¹ South Georgia: Per my conversation with Shelly this morning, we have removed references throughout to Mike's relationship with Interactive Brokers.

generally is based on realized and unrealized gains and losses; as a result, any allocations made could be based on gains that the relevant clients may never realize.

TYPES OF CLIENTS

South Georgia Capital primarily provides customized investment supervisory services to individuals, investment companies, associated trusts, estates, pension and profit sharing plans, other corporations or business entities and the Funds.

The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. Fund interests are offered to accredited investors or other qualified persons that meet suitability requirements imposed by the Federal Securities Laws.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment and Operating Strategy

Under the Investment Advisory Agreements, South Georgia Capital provides discretionary (and, to a limited extent, non-discretionary) investment advice in accordance with each client's expressed investment goals, risk profile and desired liquidity. The investment objective of each particular Fund is specified in its respective Operating Agreement. There can be no assurance that investments selected by South Georgia Capital will achieve any such investment goals, risk profiles or any particular liquidity.

South Georgia Capital conducts cyclical, fundamental or technical analysis as well as charting on securities recommended for client accounts as appropriate. As mentioned above, South Georgia Capital allocates client investment assets primarily among various individual equity and fixed income securities, options and futures. There can be no assurance that South Georgia Capital will achieve the investment objectives of its Funds and/or other clients, and a loss of investment may be possible.²

Risks of Investment

Investment and Trading Risks in General. Although South Georgia Capital intends to follow the strategies described herein and in relevant Investment Advisory Agreement or Operating Agreement, as applicable, in many cases such agreements impose no hard limitations on South Georgia Capital as to the markets, strategies or investments in which client assets may be invested. No guarantee or representation is made that the investment programs of South Georgia Capital will be successful, and investment results may vary substantially over time.

All investments made by South Georgia Capital risk the loss of capital. South Georgia Capital may invest in and actively trade securities and other financial instruments using strategies and

² South Georgia: Please expand on the investment strategy description in this paragraph to the extent you can.

investment techniques with significant risk characteristics, including risks arising from the volatility of the equity markets, the risks of short sales, the risks of leverage associated with trading in futures and options on futures markets, the potential illiquidity of derivative instruments, the risk of loss of counterparty defaults and the risk of borrowing to meet redemption requests. It is not possible to recite in this document all of the risks that could be associated with these or other markets, strategies or investments.

Equity Securities. Investment in equity securities offers the potential for substantial capital appreciation. However, such investment also involves certain risks, including issuer, industry, market and general economic related risks. South Georgia Capital may attempt to reduce these risks; however, adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline in the value of equity securities owned by South Georgia Capital clients.

Reliance on Corporate Management and Financial Reporting. Certain of the strategies implemented by South Georgia Capital may rely on the financial information made available by the issuers in which South Georgia Capital clients invest. Although South Georgia Capital typically will evaluate all such information and seek independent corroboration when it considers it appropriate and when it is reasonably available, South Georgia Capital will not always be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information will not be readily available. As a result, South Georgia Capital will be dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Material losses can occur as a result of corporate mismanagement, misstatements or omissions, fraud and/or accounting irregularities.

Accuracy of Underlying Fund Information; Possibility of Fraud or Other Misconduct. In the case of Funds that are “funds of funds,” in cases where Investment Managers are retained and in certain other cases, South Georgia Capital will rely on information provided by third parties (collectively, “**Third Party Information**”) in providing the services described in this Brochure. None of South Georgia Capital, the Funds, principals or affiliates can ensure or be responsible for the accuracy or completeness of any Third Party Information. Moreover, although South Georgia Capital may have “custody” of assets under the Advisers Act, neither South Georgia Capital nor any Fund will hold client funds or securities directly. An underlying fund in which a client invests or an Investment Manager with which a client invests could divert or abscond with the investment, fail to follow agreed upon investment strategies, provide false reports of operations or engage in other misconduct. Although South Georgia Capital will conduct due diligence with respect to such funds and Investment Managers with the intention of preventing such fraud or misconduct, there can be no assurance that such due diligence will be successful.

Pricing Risks. The prices of securities instruments in which clients invest may be volatile. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times

in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

Short Sales. South Georgia Capital intends to engage in “short selling” of securities. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements to clients. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is the risk that the securities borrowed by South Georgia Capital clients in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a “short squeeze” can occur, and a client may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Investment in Non-U.S. Securities. South Georgia Capital clients may invest in non-U.S. securities from time to time, where permitted by applicable law or regulation, and by relevant Investment Advisory Agreement or Operating Agreement, as applicable. Non-U.S. investments involve certain special risks, including different economic, financial, political and social factors. With respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, imposition of exchange controls, social instability and political developments that could affect investments in those countries. Client assets held by custodians in non-U.S. countries may also be subject to these risks. Non-U.S. companies may not be subject to accounting, auditing and financial reporting standards comparable to those of U.S. companies. Some non-U.S. securities markets have generally smaller trading volume than U.S. markets and, as a result, non-U.S. securities may be less liquid and more volatile than comparable U.S. securities. Finally, transaction costs on non-U.S. securities may be higher than on U.S. securities.

Low Credit Quality Securities. With limited exceptions set forth in the applicable Investment Advisory Agreement or Operating Agreement, clients generally are not prohibited from investing in securities below a particular credit rating, and as such are permitted to invest in securities that may constitute particularly risky investments, but that also may offer the potential for correspondingly high returns. As a result, clients participating in such investments may lose all or substantially all of its investment in any particular instance. In addition, unless specified the applicable Investment Advisory Agreement or Operating Agreement, there is no minimum credit standard that is a prerequisite to a client’s investment in any security, and investors in the Funds generally will not be able to restrict the credit quality of any securities in which any Fund invests. Although South Georgia Capital generally does not expect that such low credit quality securities will constitute a substantial portion of any client’s portfolio, the debt securities in which a client is permitted to invest may be rated lower than investment grade and hence may be considered to be “junk bonds” or “distressed” securities.

Small- to Medium-Cap Stocks. At any given time, South Georgia Capital clients may have significant investments in smaller-to-medium sized companies with market capitalizations of less than \$1 billion. These securities often involve greater risks than the securities of larger, better-known companies. For example, prices of small-capitalization and even medium-capitalization

securities generally are more volatile than prices of large-capitalization securities, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors, such as a South Georgia Capital client) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be, or become, illiquid.

Distressed Credit. A client may invest in securities of U.S. and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems or that are involved in bankruptcy or reorganization proceedings. Investments of this type may involve substantial financial and business risks that can result in substantial or at times even total losses. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by U.S. state and federal laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the U.S. Bankruptcy Court’s power to disallow, reduce, subordinate or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (*e.g.*, due to failure to obtain requisite approvals), will be delayed (*e.g.*, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to a client of the security in respect to which such distribution was made.

Default Rates of High-Yield Securities. The historical performance of the high-yield market is not necessarily indicative of its future performance, and the numerous methods for calculating default rates leave a significant amount of uncertainty in the potential profitability of a client’s investment in such instruments. Should increases in default rates occur with respect to the securities in which a client invests, the actual default rates of the securities held by the client may exceed those of the calculation methodology used by South Georgia Capital in determining to recommend such securities, resulting in substantial losses to the Partnership.

Options. South Georgia Capital may purchase or write options on securities on behalf of its clients. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter (“OTC”) options, *i.e.*, options not purchased or sold on an exchange, also involve counterparty default and solvency risk, and may be employed by South Georgia Capital on behalf of its clients where permitted by

applicable law or regulation, and the relevant Investment Advisory Agreement or Operating Agreement.

Exchange-Traded Funds. South Georgia Capital may purchase ETFs in pursuing a client's investment strategy. ETFs represent shares of ownership in funds, unit investment trusts or depository receipts that closely track the performance of specific instruments, including broad market, sector or international indexes. ETFs give investors the opportunity to buy or sell an entire portfolio of securities of individual issuers in a single security, as easily as buying or selling a share of stock, or to gain exposure to other instruments. They offer a wide range of investment opportunities. While similar to a mutual fund, ETFs differ from mutual funds in significant ways. Unlike mutual funds, ETFs are priced and can be bought and sold throughout the trading day. To the extent a client invests in ETFs, such client will directly or indirectly bear the fees and expenses of such ETFs.

Illiquid or Thinly-Traded Securities. Assets purchased on behalf of a South Georgia Capital client may, at any given time, include securities and other financial instruments or obligations which are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value accurately any such investments. Further, certain securities in which South Georgia Capital may invest may not have a readily ascertainable market price and, in such cases, may be valued by South Georgia Capital. In this regard, South Georgia Capital may face a conflict of interest in valuing the securities, as their value will affect its compensation.

Commodity and Futures Contracts. South Georgia Capital may invest in commodity and futures contracts on behalf of its clients. Commodity futures markets (including financial futures, such as futures covering indices and larger "baskets" of securities) are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage is typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits — which conditions have in the past sometimes lasted for several days in certain contracts — South Georgia Capital could be prevented from promptly liquidating unfavorable positions and consequently subject the clients to substantial losses.

Portfolio Turnover. Unless otherwise specified in the relevant Investment Advisory Agreement or Operating Agreement, portfolio turnover generally will not be a limiting factor in making investment decisions for any client and may vary from year to year, as well as within a year. High turnover rates likely will result in higher brokerage and other transaction expenses than funds with lower portfolio turnover.

Other Instruments. Except in limited circumstances specified in the relevant Investment Advisory Agreement or Operating Agreement, South Georgia Capital may acquire investment assets on behalf of its clients that have not yet been identified, are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of such clients and legally permissible. Special risks may apply to instruments that are invested in by South Georgia Capital clients in the future that cannot be determined at this time or until such instruments are developed or invested in by a client. The likelihood that Investors will realize income or gain depends on the skill and expertise of South Georgia Capital.

Counterparty and Custodial Risk. To the extent that South Georgia Capital invests in options or other OTC transactions, or, in certain circumstances, non-U.S. securities, clients may indirectly take a credit risk with regard to parties with which South Georgia Capital trades and may also indirectly bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

In addition, there are risks involved in dealing with the custodians or brokers who settle client trades, particularly with respect to non-U.S. investments. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of South Georgia Capital clients, and hence clients should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation and there may be practical or time problems associated with enforcing a client's rights to its assets in the case of an insolvency of any such party.

Hedging Risk. The hedging activities of South Georgia Capital clients, although they are designed to help offset negative movements in the markets for such clients' investments, will not always be successful. They can cause a client to lose money or to fail to get the benefit of a gain. Such negative effects may occur, for example, if the market moves in a direction that South Georgia Capital does not anticipate or if a client is not able to close out its position in a hedging instrument or transaction.

Use of Leverage; Borrowing; Interest Costs and Rates. The investment strategy of South Georgia Capital involves the use of certain amounts of leverage, *i.e.*, borrowings to increase investment positions and exposure. Although the use of leverage increases returns to clients if such clients earn a greater return on the investments purchased with borrowed funds than they pay for such funds, the use of leverage decreases returns to clients if such clients fail to earn as much on such investments as it pays for such funds. Although South Georgia Capital intends to keep clients' use of leverage within the guidelines specified in the applicable Investment Advisory Agreement or Operating Agreement, such agreements generally impose no hard limitation on the form or amount of borrowings; accordingly, the amount of a client's borrowings outstanding at any time may be large in comparison to its capital. Risk of loss and the magnitude of possible gains are both increased by the use of leverage. Fluctuations in the market value of a client's portfolio will

have a greater effect relative to the capital than would be the case in the absence of leverage. Adverse market fluctuations in the case of margin borrowings may require the untimely liquidation of one or more investment positions. Interest costs of borrowings will be an expense of clients and therefore both borrowing levels and fluctuations in interest rates may affect the operating results of such clients.

Conflicts of Interest³

Other Accounts of South Georgia Capital and Its Principals; South Georgia Capital Time. South Georgia Capital and its principals manage multiple funds (including the Funds) and accounts (including accounts governed by the Investment Advisory Agreements) and may have financial incentives to favor certain of such funds or accounts over others. Any of such other funds or accounts of South Georgia Capital or its principals may compete with the Funds for specific trades, or may hold positions opposite to positions maintained on behalf of a Fund or other client. South Georgia Capital and its principals may give advice and recommend securities to, or buy or sell securities for, their respective portfolio or managed accounts in which a client's assets are invested, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, other accounts and customers even though their investment objectives may be the same as, or similar to, those of a client. Clients will not share in the risks or rewards of such other ventures of South Georgia Capital. However, such other ventures will compete with clients for the time and attention of South Georgia Capital and may create additional conflicts of interest. Although the principals and employees of South Georgia Capital will devote as much time to a client as they believe is necessary to assist such client in achieving its investment objectives and to administer the operations of the relevant Fund or account, they will not devote substantially all or any specific portion of their working time to the affairs of a particular client, as they must devote a portion of their time to other Funds and investments.

Parallel or Similar Funds or Accounts; Allocation of Investment Opportunities. From time to time, South Georgia Capital and its principals may establish funds or accounts that trade in parallel with the Funds or that pursue the same or a similar investment objective or strategy (such Funds and other clients, "**Parallel Accounts**"), for example to enable investors with unique legal or regulatory concerns to participate in the same or similar investment strategy as a particular Fund. As a result, South Georgia Capital may be subject to conflicts of interest in allocating investment opportunities among the Funds and such Parallel Accounts.

South Georgia Capital will allocate investment opportunities among Parallel Accounts to the extent that South Georgia Capital determines in good faith that such investment opportunities are appropriate for such Parallel Account, with such allocations generally to be made on a *pro rata* basis based on available capital of such Parallel Accounts. In determining whether and to what extent such investment opportunities are appropriate for such Parallel Accounts, South Georgia Capital may consider factors such as: (a) the overall liquidity profile of the such Parallel Accounts' respective investment portfolios; (b) the potential for redemptions from such Parallel Accounts; (c) the transferability of such investment opportunities; (d) the minimum denominations of such investment opportunities; (e) the availability of price quotes with respect to

³ South Georgia: Please confirm the procedures in this section match your actual practice.

such investment opportunities; (f) the structural and operational differences between (and any applicable investment limitations, including without limitation risk and exposure limits and diversification considerations, of) such Parallel Accounts; (g) the eligibility of such Parallel Accounts to participate in such investment opportunity under applicable laws and regulations; and (h) any other applicable tax, legal, regulatory, compliance, operational or administrative issues.

In the event that a determination is made that one or more Parallel Accounts should trade in the same investment opportunity on the same day, such investment opportunity will be allocated among such Parallel Accounts in a manner that South Georgia Capital determines in its discretion, provided that such Parallel Accounts will be treated fairly and equitably over time. Circumstances may occur in which an allocation could have adverse effects on one or more Parallel Accounts with respect to the price or size of securities positions obtainable or saleable. It is the policy of South Georgia Capital, to the extent possible, to allocate investment opportunities to Parallel Accounts over a period of time on a fair and equitable basis relative to the other funds and accounts under the management of South Georgia Capital. Fairness will be measured over time and clients should expect that there will be instances and periods of time where certain clients will not receive a share, or may receive a non-*pro rata* share, of an investment opportunity.

Order Aggregation. If South Georgia Capital determines that the purchase or sale of an investment opportunity is appropriate with regard to one or more Parallel Accounts, South Georgia Capital may, but is not obligated to, when possible, aggregate orders placed simultaneously in order to reduce transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating fund or account generally will receive the average price, with transaction costs generally allocated *pro rata* based on the size of each account's participation in the order (or allocation in the event of a partial fill) as determined by South Georgia Capital. In the event of a partial fill, allocations may be modified on a basis that South Georgia Capital deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. To the extent that orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by South Georgia Capital. As a result, certain trades in the same investment opportunity for one Fund or account (including a Fund or account in which South Georgia Capital and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Fund or account, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

There may be instances, such as when orders are placed with more than one broker, that make it difficult or inadvisable (as determined by South Georgia Capital in its discretion) for South Georgia Capital to average the prices paid. In these instances, South Georgia Capital will seek to allocate filled orders in a fair and equitable manner. Similarly, if an order on behalf of more than one Fund or account (such as one or more Parallel Accounts) cannot be fully executed under prevailing market conditions, South Georgia Capital may allocate the securities traded among the different Funds and accounts on any basis that it considers fair and equitable. In these circumstances, each such Fund or account may be required to pay, in connection with the acquisition of securities by more than one such Fund or account, the average price per unit

acquired, which may be higher than if such Fund or account had acted alone, and it may otherwise not be able to execute an investment decision as effectively as it could have if such fund or account had acted alone. There may be corresponding potential disadvantages when more than one fund or account simultaneously seeks to dispose of commonly held securities and other investment positions.

Trade Errors. In order to reduce conflicts of interest that may arise in South Georgia Capital's resolution of trade errors, South Georgia Capital will follow certain procedures upon discovering a trade error. If a trade error occurs, South Georgia Capital will review losses suffered by a client as a result of the trade error to determine the extent to which the relevant client must be reimbursed by South Georgia Capital, and generally will resolve such trade errors in accordance with the following factors: (a) South Georgia Capital will correct errors as soon after discovery as is reasonably practicable and in such a manner that the affected client incurs no loss; (b) a trade error report will be completed and maintained for all trade errors, and will detail the type of trade error, the manner in which the trade error occurred and its resolution; (c) any client gains caused by trade errors will be credited to the affected client; (d) gains from trade errors may not offset losses from trade errors, unless the underlying transactions constitute a single transaction; and (e) South Georgia Capital will not correct a trade error made for one client by causing another client to engage in the erroneous transaction in lieu of the "original" client.

Other present and future activities of South Georgia Capital and/or its principals may give rise to additional conflicts of interest.

DISCIPLINARY INFORMATION

Neither South Georgia Capital nor its principals have been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Bruce Anderson, one of the principals of South Georgia Capital, is a licensed insurance agent and in such capacity may recommend the purchase of certain insurance-related products on a commission basis. No client is under any obligation to purchase any commission investment or insurance-related products from South Georgia Capital or its principals.⁴

South Georgia Capital is registered with the Commodity Futures Trading Commission as a commodity pool operator and commodity trading advisor, and is a member of National Futures Association in such capacities.

⁴ South Georgia: Is the "insurance agency" box checked in Item 7.A of Form ADV Part 1?

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

Standard of Business Conduct. To avoid any potential conflicts of interest regarding personal trades, South Georgia Capital has implemented an investment policy relative to personal securities transactions. This investment policy is part of the Code of Ethics of South Georgia Capital, a copy of which is available upon request, which serves to establish a standard of business conduct for all of South Georgia Capital's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Material Nonpublic Information. In accordance with Section 204A-1 of the Advisers Act, South Georgia Capital also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by South Georgia Capital or any person associated therewith. The Code of Ethics requires certain South Georgia Capital personnel to report their personal securities transactions, prohibits or requires pre-clearance for South Georgia Capital personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering or limited offering, and prohibits South Georgia Capital personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the South Georgia Capital Chief Compliance Officer.

South Georgia Capital and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, South Georgia Capital and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of South Georgia Capital.

Accordingly, should South Georgia Capital or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, South Georgia Capital would be prohibited from communicating such information to clients, and South Georgia Capital will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law.

Preferential Terms. South Georgia Capital and its principals, as well as accounts other than those managed by South Georgia Capital or its principals, may invest in the securities markets on terms more favorable than those available to South Georgia Capital clients, and as investors in the broader securities markets, may act in ways adverse to the interests of clients.

Proprietary Trading. South Georgia Capital and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others, and may give advice and recommend securities to vehicles or accounts which may differ from advice given to, or securities recommended or bought for, any South Georgia Capital client, even though their investment objectives may be the same or similar. South Georgia Capital and its principals may

also trade in the securities and derivatives markets for their own accounts and the accounts of their clients, and in doing so may take positions opposite to, or ahead of, those held by other South Georgia Capital clients. and may be competing with such clients for positions in the marketplace. Such trading may result in competition for investment opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to clients. Records of this trading will not be available for inspection by clients.

The proprietary activities or portfolio strategies of South Georgia Capital and its principals or the activities or strategies used for accounts managed by South Georgia Capital or its principals for other client accounts could conflict with the transactions and strategies employed by clients and affect the prices and availability of the securities and instruments in which such clients may invest. Issuers of securities held by clients may have publicly- or privately-traded securities in which South Georgia Capital or its principals are investors. The trading activities of South Georgia Capital or its principals generally will be carried out without reference to positions held directly or indirectly by any South Georgia Capital client and may have an effect on the value of the positions so held or may result in South Georgia Capital or its principals having an interest in the issuer adverse to that of South Georgia Capital clients.

In particular, various South Georgia Capital affiliates may be significant investors in the Funds for their proprietary accounts. Such affiliates' investments in and redemptions from the Funds will be made in their best interests and without regard to the best interests of the Funds or other clients. South Georgia Capital may share information regarding the Funds with such affiliates of South Georgia Capital.

BROKERAGE PRACTICES

In the event that a client requests that South Georgia Capital recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct South Georgia Capital to use a specific broker-dealer/custodian), South Georgia Capital generally recommends that investment management accounts be maintained at Pershing Advisor Solutions ("PAS"). Prior to engaging South Georgia Capital to provide investment management services, the client will be required to enter into an Investment Advisory Agreement with South Georgia Capital setting forth the terms and conditions under which South Georgia Capital shall manage the client's assets, and a separate custodial/clearing agreement with PAS or any other designated broker-dealer/custodian.

South Georgia Capital will select or recommend brokers whose commissions and/or transaction fees are consistent with South Georgia Capital's duty to seek to obtain best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where South Georgia Capital determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. South Georgia Capital has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients.

Although South Georgia Capital generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. South Georgia Capital seeks to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, South Georgia Capital may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) historical relationship of responsiveness to requests for trade data and other financial information; (v) financial strength; research capabilities; and (vi) service level.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker, South Georgia Capital may receive from a broker, without cost (and/or at a discount) support services and/or products, certain of which assist South Georgia Capital to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by South Georgia Capital may be investment-related research, pricing information and market data, software and other technology that may be used by South Georgia Capital in furtherance of its investment advisory business operations. Any such benefits will comply with the Section 28(e) safe harbor under the Securities Exchange Act of 1934, as amended.⁵

OTC securities transactions for South Georgia Capital's clients are generally effected on an agency basis, which involve the services of two (2) separate broker-dealers: (1) a "dealer" or "principal" acting as market-maker; and (2) the executing broker-dealer that acts in an agency capacity for the client's account. Dealers executing principal transactions typically include a mark-up/down, which is included in the offer or bid price of the securities purchased or sold. In addition to the dealer mark-up/down, the client will also incur the transaction fee imposed by the executing broker-dealer. South Georgia Capital does not receive any portion of the dealer mark-up/down or the executing broker-dealer transaction fee.

South Georgia Capital may (but is not obligated to) combine or "batch" client orders to seek to obtain "best execution," to negotiate more favorable commission rates or to allocate equitably among South Georgia Capital's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and generally will be allocated among South Georgia Capital's clients in accordance with the procedures specified in this Brochure.

The client may direct South Georgia Capital to use a particular broker-dealer (subject to South Georgia Capital's right to decline and/or terminate the engagement) to execute some or all

⁵ South Georgia: Please confirm this is the case, as receipt of travel, conferences or computer hardware generally falls outside the safe harbor.

transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with such requested broker-dealer, and South Georgia Capital will not seek better execution services or prices from other broker-dealers or, generally speaking, be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by South Georgia Capital. As a result, any such client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the transactions for a client's accounts are effected through a broker-dealer that refers investment management clients to South Georgia Capital, there exists the potential for conflict of interest if the accounts incur higher commission or transaction costs than the accounts would otherwise have incurred had the client determined to effect account transactions through alternative clearing arrangements that may have been available through South Georgia Capital.

REVIEW OF ACCOUNTS

For those clients to which South Georgia Capital provides investment supervisory services, account reviews are conducted on an ongoing basis by South Georgia Capital principals and/or Associated Persons, subject to clients' responsibility to advise South Georgia Capital of any changes in their investment objectives and/or financial situation. All clients are encouraged to review investment objectives and account performance with South Georgia Capital on an annual basis.

Non-Fund clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for client accounts.

CLIENT REFERRALS AND OTHER COMPENSATION

If a non-Fund client is introduced to South Georgia Capital by either an unaffiliated or an affiliated solicitor, South Georgia Capital *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from South Georgia Capital's advisory fee, and shall not result in any additional charge to the client. If the client is introduced to South Georgia Capital by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the South Georgia Capital's written disclosure statement, which discloses the terms of the solicitation arrangement between South Georgia Capital and the solicitor, including the compensation to be received by the solicitor from South Georgia Capital.

From time to time, South Georgia Capital may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees and expenses payable to any such placement agents will borne by South Georgia Capital indirectly through an offset against the Management Fee.

CUSTODY

Client assets will be held by a qualified custodian. Non-Fund clients are provided with transaction confirmation notices and regular account statements directly from their qualified custodian. Clients are urged to carefully review these account statements, particularly against any account statements provided by South Georgia Capital.

Investors in the Funds receive annual audited financial statements prepared by an independent public accountant and monthly statements from the Fund's administrator, in each case as specified in the relevant Operating Agreement.

South Georgia Capital maintains custody of assets held in clients' names with the following qualified custodians: [CUSTODIANS].⁶

INVESTMENT DISCRETION

In the case of non-Fund clients, South Georgia Capital generally has the authority to determine, without obtaining specific client consent: the securities bought and sold; the amount of securities bought and sold; the broker-dealer used; and commission rates paid for transactions in client accounts. South Georgia Capital's investment professionals are not limited in this authority except to the extent a client has established specific guidelines and/or prohibitions with respect to its investment account and specific securities.

South Georgia Capital has discretionary authority to manage investments on behalf of the Funds. As a general policy, South Georgia Capital does not allow clients to place limitations on this authority. South Georgia Capital assumes this discretionary authority pursuant to the terms of the Operating Agreement and powers of attorney executed by the limited partners of the relevant Fund. Pursuant to the terms of the relevant Operating Agreement, however, South Georgia Capital may enter into "side letter" arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

VOTING CLIENT SECURITIES

South Georgia Capital does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. South Georgia Capital and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.⁷

⁶ South Georgia: Please provide names and mailing addresses of all custodians in this section.

⁷ South Georgia: I'd assume that this policy does not apply to the Funds--what procedures are in place for voting Fund securities?

FINANCIAL INFORMATION

South Georgia Capital does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.

SOUTH GEORGIA CAPITAL, LLC

PART 2B OF FORM ADV

INVESTMENT ADVISER BROCHURE

SUPPLEMENT

120 Liberty Place
Wheaton, IL 60187
<http://www.southgeorgiacapital.com>

Updated: March 2012

This investment adviser brochure supplement (“**Supplement**”) provides information about the qualifications and business practices of South Georgia Capital, LLC (“**South Georgia Capital**”). If you have any questions about the contents of this Supplement, please contact us at 630-784-2200. The information in this Supplement has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

South Georgia Capital is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

MICHAEL MCALISTER'S BIOGRAPHICAL INFORMATION

Educational Background and Business Experience

Born: 1978

Post-Secondary Education:

Trinity University, BA Accounting, 2001

Employment Background:

South Georgia Capital, LLC (formerly James Caird Capital Partners, LLC) Principal, 2009

-- Present

Morgan Stanley, Financial Advisor, Senior Vice President, 2002—2009

Disciplinary Information

Mr. McAlister has not been involved in any legal or disciplinary events required to be disclosed in this section.

Other Business Activities

Mr. McAlister is not engaged in any other investment-related business outside of his roles with South Georgia Capital.

Additional Compensation

Mr. McAlister does not receive any additional compensation that is required to be disclosed.

Supervision

As South Georgia Capital's Co-Founder and Principal, Mr. McAlister maintains significant responsibility for the company's operations. Mr. McAlister discusses investment decisions with Mr. Bruce Anderson, South Georgia Capital's other Co-Founder. Operational decisions are discussed with South Georgia Capital's Chief Operating Officer and Chief Compliance Officer, Shelly Sypien. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

BRUCE ANDERSON'S BIOGRAPHICAL INFORMATION

Educational Background and Business Experience

Born: 1951

Post-Secondary Education:

Babson College, BSBA Marketing, 1974

Employment Background:

South Georgia Capital, LLC (formerly James Caird Capital Partners, LLC), Principal
2009 -- Present

Morgan Stanley, Financial Advisor, Senior Vice President, 1999 – 2009

Professional Designations:

Certified Investment Management Analyst (“CIMA”)

The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school, and pass an online Certification Examination. CIMA designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through Investment Management Consultants Association (IMCA®).

Disciplinary Information

Mr. Anderson has not been involved in any legal or disciplinary events required to be disclosed in this section.

Other Business Activities

Mr. Anderson is not engaged in any other investment-related business outside of his roles with South Georgia Capital.

Additional Compensation

Mr. Anderson does not receive additional compensation that is required to be disclosed.⁸

Supervision

As South Georgia Capital's Co-Founder and Principal, Mr. Anderson maintains significant responsibility for the company's operations. Mr. Anderson discusses investment decisions with Mr. Michael McAlister, South Georgia Capital's other Co-Founder. Operational decisions are

⁸ South Georgia: The form would require Bruce to disclose insurance commissions if the amounts received were “significant”--is that the case?

discussed with South Georgia Capital's Chief Operating Officer and Chief Compliance Officer, Shelly Sypien. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.