

Item 1 – Cover Page

KVO Capital Management, LLC.

33 South Main Street

Hanover, NH 03755

Phone: (603) 643-0500

Website: www.kvocap.com

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This brochure provides information about the qualifications and business practices of **KVO Capital Management, LLC.** ["KVO Capital" or "Adviser"]. If you have any questions regarding the contents of this Brochure, please contact us at (603) 676-3063 and/or via electronic mail at rsayles@kvocap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. KVO Capital is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information with which you may determine to hire or retain advisory services. Additional information about KVO Capital is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Effective January 2012, the company began offering interests in Trimarc Capital Fund, LP, a Delaware entity. The General Partner for this partnership is KVO Trimarc Partners, LLC.

As of the end of 2011, the value of all non-redeeming LP interests in KVO Capital Partners Value Fund, LP, were transferred and invested into interests in the Trimarc Capital Fund, LP or its offshore feeder fund.

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Brochure Supplement(s)

Item 4 – Advisory Business

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KVO Capital, which has been in business since May 2008, offers the services described below to domestic and offshore institutional clients, individuals, trusts, retirement plans, and other types of business entities. In addition to managing private accounts, KVO Capital manages Trimarc Capital Fund, LP (“TCF”), and KVO Capital Partners, L.P (“KCP”). Prior to 2012, KVO Capital managed KVO Capital Partners Value Fund, LP (“KVP”).

Together, TCF, and KCP are referred to as the “Funds”. These funds each have a specific offshore “feeder” fund to allow foreign and US tax-exempt investors to invest in TCF and KCP. KVO Capital Offshore Fund, Ltd is the offshore feeder for KCP and Trimarc Capital Offshore Fund, Ltd. is the offshore feeder for TCF.

KVO Capital is owned by Kernan V. “Kip” Oberting, Managing Member and Portfolio Manager of the Adviser. As of the beginning of 2012, KVO Capital managed discretionary client assets valued at \$60,000,000. KVO does not manage assets on a non-discretionary basis.

KVO provides investment management services for its clients which include the funds. Investment management services include overall portfolio management, individual security selection, portfolio risk management, interest rate risk management, and cash flow management.

Item 5 – Fees and Compensation

Investors in the Funds may be subject to certain redemption rights, as outlined in the applicable PPM. Such redemption rights may include lock-up provisions extending from one to three years and may require advance written notice of 60 days.

The standard fees for KCP are as follows based on a three year lock-up period:

- 1.5 Percent of Assets Under Management – Based on assets under management in the capital account of each Investor at the beginning of each quarter or as reflected in the Fund’s private placement memorandum or other offering document.
- 15 Percent Performance Fee – Calculated based on the percentage of net capital appreciation of the Investor’s capital account at the end of each calendar year or as reflected in the Funds PPM or other managing document.

The standard fees for KCP are as follows based on a one year lock-up period:

- 2 Percent of Assets Under Management – Based on assets under management in the capital account of each Investor at the beginning of each quarter or as reflected in the Fund’s private placement memorandum or other offering document.
- 20 Percent Performance Fee – Calculated based on the percentage of net capital appreciation of the Investor’s capital account at the end of each calendar year or as reflected in the Funds PPM or other managing document.

The standard fees for TCF are as follows (TCF is only offered with a 18 month lock-up period):

- 1.5 Percent of Assets Under Management – Based on assets under management in the capital account of each Investor at the beginning of each quarter or as reflected in the Fund's private placement memorandum or other offering document.
- 20 Percent Performance Fee – Calculated based on the percentage of net capital appreciation of the Investor's capital account at the end of the calendar year or as reflected in the Funds PPM or other managing document.

Performance fees will only be charged to suitable accredited investors. In the case of the Funds, fees are accrued monthly.

In certain circumstances, account fees and minimums may be negotiable. To the extent that fees are negotiable, some clients may pay more or less than other clients for the same management services, at the discretion of the Managing Member of KVO Capital. Management fees or performance fees may be waived or reduced with respect to investors who are KVO Capital employees, family members of KVO Capital employees or affiliated entities of the Managing Member, trusts or similar vehicles formed for the benefit of such persons or certain other investors for any reason as determined by the Managing Member in its sole discretion.

Minimum account sizes vary depending on the type of investment advisory services to be performed and in certain circumstances may be negotiable. Fund investment services are generally available to individuals or institutions with a minimum account size of \$1,000,000 in assets.

Client assets invested in money market funds or other mutual funds managed by independent managers, including funds at custodian banks, broker dealers or other custodians, may be subject to management fees charged by the manager of these funds which are in addition to management fees charged by the Adviser.

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

The Adviser renders investment advice to the Funds in which affiliates, or related persons, of the Adviser may act as general partner(s). In these arrangements, the general partner will participate in a pro-rata share of the profits of the partnership. The Adviser's advisory fee and performance-based compensation may be waived, in whole or in part, under certain circumstances, including, for investors in the investment partnerships who are employees or directors of the Adviser and its affiliates and members of their immediate families. A separate disclosure document is furnished to investors.

Item 7 – Types of Clients

KVO Capital offers its services to domestic and offshore institutional clients, trusts, individuals and other types of business entities, including the Funds.

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

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

KVO Capital primarily invests, but is not limited to equities, fixed income instruments, futures and options. Further, KVO Capital may invest in assets including but not limited to private equity placements, foreign equities, mutual funds, including exchange traded funds (ETFs), futures and other derivatives. The Adviser may also employ leverage for client accounts. Each account is invested according to its investment objectives subject to any guidelines noted in the private placement memorandum or other managing documents.

The strategy employed by each KVO Capital portfolio manager represents an independent investment process designed to capitalize on opportunities in the relevant market or markets. The Adviser will not

necessarily allocate client assets to each strategy, and there is no maximum or minimum allocation to any one strategy.

KVO Capital may pursue the following strategies:

- (1) Identifying attractive value investment opportunities across a company's capital structure including investments in equity, fixed income and derivative instruments. This might include arbitrage opportunities and actively trading such positions.
- (2) The purchase equity, distressed debt and preferred equity in businesses on an unhedged bases or hedged basis where certain risks are attempted to be managed through the purchase or sale of options, equities and other instruments including derivatives.
- (3) Identifying short-term trading opportunities in equity markets. This may involve extended periods of time with no market exposure and only transact in the infrequent instances where a short term opportunity is identified.

Risk Management

The Adviser may utilize strategies which are meant to decrease risk associated with pursuing a single, concentrated investment approach. Further, the Adviser will manage risk across the individual strategies by using a variety of quantitative and qualitative techniques. Systematic market risks will be considered and aggregated as part of this process. The Adviser will review the risk and return characteristics of client accounts, and their underlying strategies, on a regular basis.

There is no guarantee that client accounts will achieve their investment objectives. A client account could realize substantial losses rather than gains from some or all of the investments or strategies

Material Risks

The list of risk factors below is not a complete enumeration or explanation of the risks involved in an investment through KVO or any of the Funds it manages.

Investments in Mid- and Small-Market Capitalization Companies Entail Various Risks. The Adviser invests client assets in the stocks of companies with large, mid, and small-market capitalizations. While the Adviser believes mid and small capitalization companies often provide significant potential for appreciation, these stocks involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks. The risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks may be illiquid.

Concentration in Certain Securities. The Adviser's clients generally do not have fixed guidelines for diversification and may concentrate investments in particular industries or companies. Increased concentration of securities in a client's portfolio can maximize the adverse impact to client accounts in the event of a significant decrease in the value of a particular security held by a client account.

Liquidity in Certain Securities. The advisor invests in instruments some which may have a low level of liquidity. While the Adviser believes these opportunities often provide significant potential for return, these instruments may be difficult to sell and/or price. Moreover, the liquidity of individual positions and the portfolio as a whole will be further reduced at times of market duress and volatility. In addition, a change in the liquidity profile of the portfolio may have an adverse impact in the funds' ability to use or maintain leverage.

Turnover. The Adviser's trading activities may be made on the basis of short-term market considerations. The Adviser's client portfolio turnover rates will be significant, involving substantial brokerage commissions and fees.

Derivatives Risk. The Adviser may invest client funds in derivatives. Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. KVO Capital may use derivatives for any number of purposes including, among other things, as a substitute for taking a position in the underlying asset or as part of a strategy designed to reduce or increase exposure to other risks, such as interest rate or currency risk. The Adviser's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as interest rate risk, market risk and credit risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. If the Adviser invests in a derivative instrument, it could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances, and there can be no assurance that the Adviser will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Use of Leverage May Increase Risk of Loss. The Adviser may leverage its investment positions by borrowing funds from securities broker-dealers, banks or others. The Adviser may borrow significant amounts for its client portfolios to take advantage of perceived opportunities, such as short-term price disparities between markets or related securities. While leverage presents opportunities for increasing a client account's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a client account would be magnified to the extent leverage is used. The cumulative effect of the use of leverage by a client account in a market that moves adversely to the account's investments could result in a substantial loss to the account that would be greater than if the account were not leveraged. Borrowings may be secured by the account's securities and other assets. Under certain circumstances, a lender may demand an increase in the collateral that secures the account's obligations and, if the account were unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy the account's obligations. Liquidation in that manner could have extremely adverse consequences for the account. In addition, the amount of an account's borrowings and the interest rates on those borrowings, which fluctuate, may have a significant effect on the account's profitability.

Side Pockets

KVO Capital may invest in securities of companies that have no class of security registered under the Securities Exchange Act of 1934, as amended. These investments are known as Side Pocket Investments and generally will be illiquid. The Adviser will hold such securities in segregated accounts known as "Side Pocket Accounts." All investors in a particular account at the time a Side Pocket Investment is placed into a Side Pocket will participate therein. The allocation, if at all, of a client's capital to side pocket investments will only be made if permitted and when made, will follow the prescribed methodology in the respective client's guidelines.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Adviser or the integrity of its management. KVO Capital has no applicable disciplinary information.

Item 10 – Other Financial Industry Activities and Affiliations

KVO Partners LLC, a Delaware limited liability company, is the General Partner to KCP. Kernan V. "Kip" Oberting is the managing member of the General Partner and KVO Capital. KVO Trimarc Partners, LLC,

a Delaware limited liability company is the General Partner to TCF. KVO Partners LLC is a member of the National Futures Association (NFA) and approved as a Commodities Pool Operator (CPO). This membership and approval was pursued in order to invest in currency, government debt and index futures.

Item 11 – Code of Ethics

KVO Capital may give advice and take action with respect to any client account or for its own account, or the account of its officers, directors, employees, members or agents, that may differ from action taken by KVO Capital on behalf of other accounts. KVO Capital is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that KVO Capital or its officers, directors, employees, members or agents, may buy or sell, directly or indirectly, for its or their own accounts or for any other account KVO Capital manages except to the extent that such investments violate the Code of Ethics ("Code") adopted by KVO Capital. Additionally, KVO Capital personnel may invest in the Funds which, in turn, may invest in securities KVO Capital invests in on behalf of other managed accounts. As these situations may represent a potential conflict of interest, KVO Capital has implemented procedures relating to personal securities transactions and insider trading that are designed to manage these conflicts of interest. These procedures include specific trade reporting and pre-clearance requirements.

One of the fundamental principles of the Code is that directors, officers and employees of KVO Capital have a fiduciary duty to place Client interests first and to conduct all personal securities transactions in a manner that does not interfere with Client transactions or otherwise take unfair advantage of the relationship of the director, officer or employee to Clients. KVO Capital provides all personnel with a copy of the current Code who are required to provide KVO Capital with a written acknowledgement of their receipt of the Code and understanding of its requirements. An existing or prospective client may obtain a copy of the Code by contacting KVO Capital (603) 676-3063 and/or via electronic mail at rsayles@kvocap.com.

Insider Trading Policy

As part of the Code, KVO Capital has adopted an "Insider Trading" policy in accordance with Advisers Act Section 204A, which prohibits the misuse of material nonpublic information by KVO Capital and all of its personnel. In addition, the Code contains restrictions on using inside information to engage in any personal transactions to disclose any material nonpublic information. Any KVO Capital officer, director, employee or other access person who fails to observe the above-described policies risks serious sanctions, including dismissal and personal liability.

Item 12 – Brokerage Practices

In determining the ability of a broker or dealer to provide best execution of securities transactions, KVO Capital considers a number of factors, including the execution capabilities required by the transactions; the importance of speed, efficiency and confidentiality; the broker or dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold; the reputation and perceived soundness of the broker or dealer; as well as other matters relevant to the selection of a broker or dealer for portfolio transactions.

Commission Rates or Equivalents

KVO Capital has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction or to select any broker or dealer 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 minimize the expenses incurred for effecting portfolio transactions to the extent consistent with clients' interests and objectives. Although KVO Capital generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker or dealer involved and

thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Use of Soft Dollar Arrangements

When appropriate under its discretionary authority and consistent with its duty to obtain best execution, KVO Capital may direct brokerage transactions for client accounts to broker-dealers who provide KVO Capital with research and brokerage services. The brokerage commissions used to acquire these services are known as "soft dollars." Section 28(e) and related SEC interpretive materials provide a "safe harbor" which allows KVO Capital to pay for research and brokerage services with soft dollars generated by client account transactions. Section 28(e) permits KVO Capital, under certain circumstances, to cause Client accounts to pay brokers and dealers a commission for effecting portfolio transactions in excess of the commission another broker or dealer would have charged to effect such transactions. Broker-dealers typically provide a bundle of services, including research and execution. The services provided can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by the broker-dealer). KVO Capital may use soft dollars to acquire either type.

It may not be possible to place a value on the special executions or on the research services KVO Capital receives from broker dealers effecting transactions in portfolio securities. Accordingly, KVO Capital may pay broker-dealers commissions for effecting clients' portfolio transactions in excess of amounts other broker-dealers would have charged for effecting similar transactions if KVO Capital determines in good faith that such amounts are reasonable in relation to the capital of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or KVO Capital's overall duty to its discretionary accounts. In determining whether a service or product qualifies as research or brokerage, KVO Capital must evaluate whether the service or product provides lawful and appropriate assistance to it in carrying out its investment decision-making responsibilities. Brokerage and research services that may be provided under Section 28(e) include: (1) furnishing advice as to the Capital of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) furnishing analyses and reports and sponsoring seminars or conferences concerning industries, issuers, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (3) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody). Examples of services which KVO Capital may pay for with Client commissions include certain market publications and commentaries, research and data reports, economic forecasts, Bloomberg and similar 28(e) permitted services.

The receipt of research in exchange for soft dollars benefits KVO Capital by allowing KVO Capital, at no cost to it, to supplement its own research and analysis activities. This creates a conflict of interest which KVO Capital recognizes. KVO Capital limits its use of soft dollars to only those services which are within the safe harbor.

Block Trading and Trade Allocation

KVO Capital may, in its discretion, aggregate orders being placed for execution at the same time for the accounts of two or more clients, which may include accounts and Funds for which KVO Capital may receive a performance based fee and/or in which KVO Capital's affiliates and employees may have an ownership interest, where it believes such aggregation is appropriate and in the best interest of its Clients. This practice may enable KVO Capital to seek more favorable executions and net prices for the combined order. However, KVO Capital is not obligated to aggregate orders or to include any particular account in an aggregated order if portfolio management decisions for different accounts are made separately or if KVO Capital determines that aggregating trades would be inconsistent with KVO Capital's investment management duties or with any investment objectives, guidelines or restrictions applicable to a particular account. All orders placed for execution on an aggregated basis are subject to KVO Capital's Trading Allocation Policy and Procedures. Under the Procedures, the portfolio manager (or his or her designee) will aggregate orders where appropriate for the participating Clients and consistent with KVO

Capital's duty to seek best execution. Each portfolio manager may be given a portion of each client's account known as a "sleeve" to manage. The manager may also be trading in his own account using the same strategy as his client sleeves. The allocation of trades between client sleeves and the manager's account will be based generally pro rata on the percentage of assets which would include each client's sleeve as well as the manager's account.

Additional Services

The Managing Member may select one or more firms to serve as prime broker ("Prime Broker") to hold the funds and securities of, and execute transactions for, each Fund, consistent with best execution. In addition to custody and execution, a Prime Broker may provide other core functions (such as reporting, clearing, financing, securities lending, and client service) as well as Capital added items (such as capital introductions, advanced research and analytics and technology services) to the Fund. KVO Capital may choose which broker effects a particular transaction and, on occasion, the amount of commission the Fund pays for such trade. KVO Capital may on occasion "trade away" for specific trades, executing trades through brokers other than the Prime Broker in an effort to gain access to greater inventory or better price or execution. The Managing Member of KVO Capital reserves the right, in its sole discretion, to change the Prime Broker with appropriate notice as required by the Custody Rule.

Item 13 – Review of Accounts

Holdings across client accounts are continuously reviewed. An account-by account review is conducted as necessary to respond to significant changes in economic or market conditions or a client's informing KVO Capital of changes in the client's financial circumstances or investment objectives.

Generally, clients receive monthly and annual reports from KVO Capital. In the case of the funds, monthly reports are prepared and available online by an outside independent Fund Administrator (Equinox Alternative Investment Services (USA) Inc. for the domestic funds and Equinox Alternative Investment Services (Bermuda), Ltd. for the offshore feeder funds). Monthly reports include gross and net performance and annual reports include Fund Statements of Assets and Liabilities, Condensed Schedule of Investments, Statement of Operations, and a Statement of Changes in Partners Capital.

Item 14 – Client Referrals and Other Compensation

KVO Capital may from time to time compensate, either directly or indirectly, either employees or third parties for client referrals. Any such referral arrangements will comply with the relevant portions of the "cash solicitation" rule (Rule 206(4)-3). In particular, third party referral arrangements will be pursuant to a written agreement between KVO Capital and the solicitor and all required disclosures will be made. Prime Brokers or other brokerage firms may also solicit Investors for the Funds as described above. Such solicitations will comply with applicable law.

Item 15 – Custody

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KVO Capital does not have direct custody of clients' funds or securities. Clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. KVO Capital urges clients to carefully review such statements.

Item 16 – Investment Discretion

KVO Capital usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the

particular fund or account. Investment discretion is limited by a written statement of investment policy, which includes investment objectives, investment guidelines, and restrictions where applicable.

Item 17 – Voting Client Securities

The quality and depth of management is a primary factor that KVO Capital considers when investing in a company. As a result, KVO Capital gives substantial weight to the recommendation of management in proxy matters. However, KVO Capital will consider each proxy proposal on its merits, and will not follow management recommendations if KVO Capital reasonably believes those recommendations are not in the best interest of its clients. Because KVO Capital considers each proxy proposal and the related corporate circumstances independently, it may vote differently with respect to similar proposals for different companies. For each proxy, KVO Capital maintains all related records as required by applicable law.

Item 18 – Financial Information

A registered investment adviser is required to provide its clients with certain financial information or disclosures about its financial condition. KVO Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.