

BROCHURE
Form ADV Part 2A

Halifax Investment Management, L.L.C.

1133 Connecticut Avenue, NW Suite 700
Washington, DC 20036
www.thehalifaxgroup.com

March 30, 2012

This brochure provides information about the qualifications and business practices of Halifax Investment Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at (919) 786-4420 and/or mmarshall@thehalifaxgroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Halifax Investment Management, L.L.C. also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

This brochure does not contain any material changes to Halifax Investment Management, L.L.C's brochure, which was last updated on March 30, 2011. However, you are encouraged to review this brochure in its entirety. Any material changes to Halifax Investment Management, L.L.C's brochure in the future will be described in this Item 2.

TABLE OF CONTENTS

Item 2 - Material Changes.....	i
Item 4 - Advisory Business.....	1
A. Description of Advisory Firm.....	1
B. Types of Advisory Services Offered.....	1
C. Services Tailored to Individual Needs of Clients	1
D. Wrap Fee Programs.....	2
E. Client Assets	2
Item 5 - Fees and Compensation.....	2
A. Fees	2
B. How Fees are Charged	2
C. Other Fees and Expenses	2
D. Refunds for Fees Charged in Advance	3
E. Compensation for Sales of Securities	3
Item 6 - Performance-Based Fees and Side-By-Side Management.....	3
Item 7 - Types of Clients	4
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	4
A. Methods of Analysis and Investment Strategies	4
B. Material Risks	4
C. Recommendations of Particular Securities	7
Item 9 - Disciplinary Information	7
Item 10 - Other Financial Industry Activities and Affiliations.....	7
A. Broker-Dealers.....	7
B. Futures and Commodity Trading.....	7
C. Material Relationships	7
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
A. Code of Ethics.....	8
B. Participation or Interest in Client Transactions	9
C. Personal Trading	10
D. Personal Trading Contemporaneous with Client Transactions.....	10
Item 12 - Brokerage Practices.....	11
A. Selection of Broker-Dealers.....	11

1.	Research and Other Soft Dollar Benefits	11
2.	Brokerage for Client Referrals	11
3.	Directed Brokerage	11
B.	Aggregation of Orders of Securities for Client Accounts	12
Item 13 -	Review of Accounts	12
A.	Periodic Review of Client Accounts	12
B.	Factors that Trigger a Review of Client Accounts	12
C.	Reports to Clients Regarding Their Accounts	12
Item 14 -	Client Referrals and Other Compensation	12
A.	Client Referrals	12
B.	Compensation for Client Referrals	12
Item 15 -	Custody	13
Item 16 -	Investment Discretion	13
Item 17 -	Voting Client Securities	13
A.	Authority to Vote Client Securities	13
Item 18 -	Financial Information	14
A.	Balance Sheet	14
B.	Financial Conditions Likely to Impair Contractual Commitments	14
C.	Bankruptcy Petitions	14

ITEM 4 - ADVISORY BUSINESS

A. Description of Advisory Firm

Halifax Investment Management, L.L.C. ("Halifax"), a Delaware limited liability company, was organized in 2004 to act as the investment advisory affiliate of The Halifax Group, L.L.C. ("The Halifax Group"), its sole member and principal owner. The sole members of The Halifax Group are David Dupree, Michael Marshall, Ken Doyle and Brent Williams. The Halifax Group is a private equity investment firm with offices in Dallas, Texas, Raleigh, North Carolina and Washington, D.C. The Halifax Group has been in business since 1999. Halifax provides investment advice to investment vehicles sponsored by The Halifax Group and its affiliates (the "Halifax Funds") relating to the portfolios of such vehicles, focused on small-cap and lower middle-market buyout and growth capital investments, typically in private companies.

B. Types of Advisory Services Offered

Halifax provides advice to the Halifax Funds in respect of their investment portfolios, as well as certain ancillary managerial and administrative services, including, without limitation, identifying and screening potential investments, recommending strategies for the management and disposition of investments, monitoring the performance of portfolio companies, and preparing reports necessary or appropriate for compliance with the governing agreements for the Halifax Funds. Investments in Halifax Funds are privately offered only to qualified investors, typically institutional investors (for example, public and private pension funds) and eligible high-net-worth individuals. See also Item 4.A. above.

C. Services Tailored to Individual Needs of Clients

Halifax's advisory services are geared to the management of the Halifax Funds, the investment objectives, parameters and restrictions of which are disclosed to investors in the applicable fund agreements before they invest. Such agreements customarily restrict the applicable Halifax Fund to an investment program focused on small-cap and lower middle-market investing, with investment restrictions as set forth in the applicable governing agreements.

Halifax or certain affiliates may also enter into side letters or other writings with specific Halifax Fund investors which have the effect of establishing rights under, or altering or supplementing, the terms of Halifax Fund agreements, in respect of the investor to whom such letter or writing is addressed. Any rights established, or any terms altered or supplemented, will govern only that Halifax Fund investor and not a Halifax Fund as a whole. Such side letters may impose restrictions on participation in certain investments or types of investments made by the Halifax Funds in accordance with the excuse provisions of the applicable fund documents, and may also provide benefits to certain investors in a Halifax Fund not provided to investors in such Halifax Fund generally (for example, adjustments to fees or other economics, access to information, ability to transfer interests in a Halifax Fund or compliance with specified laws or regulations). Halifax will not enter into a particular side letter if Halifax determines that the provisions contained in such side letter would be disruptive to the applicable Halifax Fund or its investment program. Disclosure of applicable side letter practices is made to investors prior to their investment in the applicable Halifax Fund.

D. Wrap Fee Programs

Wrap fees are comprehensive fees charged to a client for providing a bundle of services, such as investment advice, investment research and brokerage services. Halifax does not participate in wrap fee programs.

E. Client Assets

As of December 31, 2011, Halifax managed \$728,734,683 of client assets on a discretionary basis. As of December 31, 2011, Halifax did not manage any assets on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

A. Fees

This brochure will be delivered only to “qualified purchasers” as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. The applicable fees for each Halifax Fund are disclosed to investors in the private offering materials for the relevant private offering of each Halifax Fund.

B. How Fees are Charged

Management fees are calculated separately in respect of each investor in a Halifax Fund and are generally assessed quarterly in advance. Management fees are calculated as an annual percentage of the total amount an investor agrees to contribute to the Halifax Fund (an investor’s “capital commitment”) for a specified commitment period, and thereafter are based on the invested capital attributable to such investor. Such fees may be paid either pursuant to a draw down of a portion of such capital commitment or by payment out of cash otherwise available to the Halifax Fund, for example following a Halifax Fund’s receipt of proceeds from an underlying investment.

In certain of the Halifax Funds, Halifax or an affiliate is entitled to “carried interest,” or performance fees, to the extent provided in the applicable fund agreement. Performance fees are typically measured as a percentage of the profits of a Halifax Fund and are negotiated separately for each Halifax Fund at a rate consistent with industry standards. Any such performance fees are specifically disclosed to investors prior to investment in the organizational documents of the applicable Halifax Fund.

C. Other Fees and Expenses

Fees unrelated to securities management functions may be paid to Halifax or to a Halifax Fund’s general partner, managing member, affiliate or an insider of The Halifax Group. These fees include topping up, break-up, monitoring, directors’, organizational, set-up, investment banking, underwriting, syndication and similar fees. Such potential fee arrangements are disclosed in the private offering materials for each particular private vehicle offering, and may reduce management fees payable by the applicable Halifax Fund.

Halifax Funds are also subject to customary expenses, including fees, costs and expenses related to the purchase, holding and sale of investments, expenses of any administrators, custodians, counsel and accountants (including audit fees), any insurance, indemnity or litigation expenses, and any taxes, fees or other governmental charges levied against a Halifax Fund investment vehicle, and expenses arising in connection with the formation, launch and closings of a Halifax Fund (as described in, and subject to limits on such organizational expenses as set forth in, the applicable fund documents).

Given the nature of the Halifax Funds' investment program, Halifax does not usually transact through broker-dealers. Therefore, investors in Halifax Funds do not generally incur brokerage costs. A discussion of Halifax's brokerage practices may be found at Item 12 of this brochure.

D. Refunds for Fees Charged in Advance

Management fees are generally paid by Halifax Funds in advance of any securities management functions performed by Halifax. Fees assessed against the Halifax Funds are typically paid from amounts contributed to each such Halifax Fund by its investors in accordance with the commitments of capital such investors make to the Halifax Fund. Should Halifax's services be terminated before services are provided for the period, fees assessed in advance will be returned under a method that is reasonably determined to be fair. In general, such returned fees would be pro-rated from the date of Halifax's termination to the end of the period to which the advance fee covered. Halifax's advisory agreements are subject to termination upon advance notice by either the general partner or managing member of the applicable Halifax Fund or by Halifax.

E. Compensation for Sales of Securities

Neither Halifax nor its supervised persons accepts compensation for the sale of securities or other investment products.

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

A Halifax Fund may be subject to a "carried interest" or performance fee. These fees are typically measured as a percentage of the profits of a Halifax Fund and are negotiated at a rate consistent with industry standards and in compliance with the Investment Advisers Act of 1940 (the "Advisers Act"). No performance fee is charged in respect of any Halifax Fund investor unless such investor is reasonably believed to be either a "qualified client" (within the meaning of Advisers Act rule 205-3) or a non-U.S. person. Currently, the amount of these fees, where applicable, ranges from 10% to 20% of the profits of a Halifax Fund, subject to the specific formula provided in a given Halifax Fund.

Halifax manages Halifax Funds yielding different performance fees, if any. Halifax and its supervised persons face a potential conflict of interest in managing such Halifax Funds at the same time, including that Halifax and its supervised persons have an incentive to favor accounts for which Halifax or its supervised persons receive a performance-based fee. Additionally, the existence of carried interest may create an incentive for Halifax and its supervised persons to make riskier or more speculative investments on behalf of a Fund with a carried interest arrangement than would be the case in the absence of such an arrangement. Such conflicts of

interest, and the methods Halifax and its supervised persons utilize to address these conflicts, are disclosed to Halifax Fund investors in each applicable Fund's governing agreements before they invest. Where an investment opportunity is suitable for more than one Halifax Fund, Halifax will allocate such investment in a manner determined to be fair and reasonable, with the underlying investment made on the same terms and conditions for both Halifax Funds. See Item 10.C below.

ITEM 7 - TYPES OF CLIENTS

Halifax generally provides investment advice solely to the Halifax Funds, which are private equity investment funds and related investment vehicles. Interests in the Halifax Funds are offered privately to institutional investors (for example, public and private pension funds) and individuals who qualify to invest in the Halifax Funds because they have a sufficiently high income or net worth. Halifax typically imposes a minimum investment in connection with investing in a Halifax Fund, often in the range of \$5 million to \$10 million, although such minimums may be waived in the discretion of Halifax. Investment opportunities in a Halifax Fund may be offered to qualified professionals of Halifax or The Halifax Group, as well as qualified individuals who, although not employees of Halifax or The Halifax Group, have a pre-existing business relationship with Halifax or appropriate industry expertise. In addition, Halifax and/or its affiliates make capital commitments to the Halifax Funds, for investment at the same time and on the same terms (at the level of the portfolio investment) as other commitments to the Halifax Funds.

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

A. Methods of Analysis and Investment Strategies

Halifax invests assets of the Halifax Funds in small-cap and lower middle-market investments primarily in the United States, generally consisting of companies with total entity values below \$100 million which require equity or related debt investments between primarily between \$10 million and \$50 million. Halifax partners with entrepreneurial owners and/or management teams of portfolio companies, and works closely with owners and management partners to grow their businesses. Halifax then sells the Halifax Fund's interest in the portfolio company and the Halifax Fund distributes the proceeds to its participants in accordance with the distribution formula provided in the Halifax Fund agreement. Investors are provided with more detailed information on the investment strategies of an applicable Halifax Fund before they invest.

Participation in a Halifax Fund involves a risk of loss that investors should be prepared to bear, including up to the entire amount of their investment or commitment. For a discussion of material risks, see Item 8.B immediately below.

B. Material Risks

Investing in private equity funds like the Halifax Funds involve a wide range of risks. Investors are provided with more detailed information regarding material risks to which an investment in a Halifax Fund is subject before investing. Such material risks include the following:

Fund Investment Risks. The market for attractive investment opportunities is highly competitive. Halifax's ability to compete depends on, among other things, the retention of its personnel, its ability to identify, analyze and secure investments on an expedited basis, and its ability to execute on its investment strategy for each portfolio company. Success also depends on, among other things, the accuracy of information received and assumptions made at each step of the investment process, as well as factors beyond the control of Halifax. The unfavorable performance of even a single investment may substantially adversely impact a Halifax Fund.

Portfolio Company Risks. Halifax may take a control or management position in some portfolio companies, and may acquire a minority interest in others. A Halifax Fund may also invest in the restructuring of a company. Each type of investment has its own inherent risks. The success of a portfolio investment will also depend on the company's management team, which typically assumes responsibility for day-to-day operations, as well as any other participants investing along with a Halifax Fund. The use of borrowed money to make an investment or otherwise in connection with a portfolio company may also increase the exposure of a Halifax Fund or the portfolio company to adverse economic factors. Investments in regulated portfolio companies may create additional risks including, but not limited to, the need for regulatory consent in order to dispose of an investment and the risk that new or re-interpreted laws or regulations could have a material adverse effect on such company.

After a Halifax Fund makes an investment in a portfolio company, the company may have unanticipated capital needs that exceed what the Halifax Fund is willing or able to provide or secure. Finally, a variety of factors outside Halifax's control could adversely affect the operation of the portfolio company as well as the Halifax Fund's ability to sell an investment on favorable terms (if at all), or give rise to an unexpected need to dispose of an investment at a disadvantageous time.

General Economic Risks. U.S and global market and economic conditions may impact the ability to, among other things: (a) make investments on favorable terms, (b) secure and improve the performance of portfolio companies, (c) access (or cause portfolio companies to access) credit markets on favorable terms (or at all), (d) attract co-investors and other counterparties to do business with the Halifax Fund, and (e) effect exits on favorable terms. There can be no assurance as to the future direction of national and global market and economic conditions.

Tax and Regulatory Risks. Halifax Fund investors are, and will be, severely restricted in their ability to assign, sell, exchange or transfer their interests in, or to withdraw from, a Halifax Fund, and must be prepared to bear the risks of owning interests for an extended period of time. Halifax also does not intend to cause the Halifax Funds to be registered under the Investment Company Act of 1940, and therefore Fund investors are not afforded the protections of the Investment Company Act of 1940.

Halifax Funds are generally structured so that its underlying assets will not constitute assets of any plan subject to Title I of ERISA or Section 4975 of the United States Internal Revenue Code of 1986, as amended. This may restrict a Halifax Fund's activities, preclude it from making certain investments, and require it to take actions that may expose the assets of the Halifax Fund

to claims or liabilities. Failure to structure the Halifax Fund accordingly may also expose a Halifax Fund to additional duties and liabilities under ERISA.

Certain Halifax personnel may from time to time acquire confidential or material non-public information that may restrict the ability of a Halifax Fund to act upon such information. In other cases, a Halifax Fund may be required to disclose confidential information to third parties or withhold information otherwise to be provided to an investor if and to the extent required by federal, state or local law or regulation.

Halifax Funds are generally expected to be treated as pass-through vehicles for U.S. federal income tax purposes. Investments in Halifax Funds give rise to a variety of complex U.S. federal income tax and other tax issues for both tax-exempt and non tax-exempt investors.

Other Risks. Halifax Funds or their portfolio companies may employ hedging techniques that may entail certain other risks, and may result in a poorer overall performance for a Halifax Fund than if it had not entered into such hedging transactions. Each Halifax Fund's indemnification obligations to its general partner/managing member and certain other related parties are payable from Halifax Fund assets (including the investors' unpaid commitments), and the Halifax Fund may recall distributions previously made to investors, subject to certain limitations.

Potential Conflicts of Interest. There will be occasions when Halifax and its affiliates may encounter potential conflicts of interest in connection with Halifax Funds. Such conflicts may include the following:

- The existence of "carried interest," which is discussed further in Item 6 above.
- A Halifax Fund's general partner/managing member and its affiliates may be entitled to receive break-up, directors', advisory, underwriting, and similar fees in connection with the purchase, monitoring or disposition of investments or from unconsummated transactions.
- The general partner or managing member of a Halifax Fund may elect to co-invest the Halifax Fund's capital with other investors who have preexisting investments with other Halifax Funds or Halifax affiliates on different terms.
- Halifax personnel generally devote time to multiple Halifax Funds and activities of other Halifax affiliates.
- Halifax Funds may on occasion engage in certain affiliated or interested transactions, as further discussed in Item 11 below.
- As further discussed in Item 6 above and Item 10.C below, Halifax may be presented from time to time with investment opportunities that meet the investment objectives of one or more Halifax Funds and/or other Halifax-advised investment vehicles.

Such conflicts of interest, and the methods Halifax and its supervised persons utilize to address these conflicts, are disclosed to Halifax Fund investors in each applicable Halifax Fund's governing agreements before they invest.

To avoid the conflicts of interest described above, Halifax investment professionals prepare an investment memorandum for each new investment opportunity or other transaction. Halifax's

Chief Compliance Officer (the “CCO”) reviews these investment memoranda. If the CCO identifies any actual or potential conflicts of interest, the CCO reviews the actual or potential conflicts with the Investment Committee and legal counsel, if deemed appropriate, in order to recommend courses of action to the Investment Committee. The Investment Committee determines the specific actions to be taken.

In addition, the governing documents for Halifax Funds contain specified procedures to address conflicts of interests. These procedures include (i) requiring a Halifax Fund general partner/managing member to take certain actions to mitigate the conflict of interest and (ii) referring a conflict of interest transaction to the investors in such Halifax Fund or to an investor advisory committee (“IAC”) for review and approval. An IAC is comprised of representatives of investors in the applicable Halifax Fund and is authorized to grant consents on behalf of the Halifax Fund.

C. Recommendations of Particular Securities

Halifax Funds have traditionally invested in portfolio companies involved in several industry sectors including health and wellness, infrastructure, business services and franchising industries. These companies may be subject to regulatory oversight. Changes in laws or regulations relating to these industries could have an adverse effect on Halifax Funds’ portfolio companies, and therefore on the Funds’ investments. The risks described in Item 8.B also apply with respect to these securities.

ITEM 9 - DISCIPLINARY INFORMATION

Halifax is not aware of any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of its advisory business or the integrity of its management.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealers

Neither Halifax nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

B. Futures and Commodity Trading

Neither Halifax nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Material Relationships

Halifax and its affiliates form Halifax Funds to make private equity and related investments. Halifax provides investment management services to such Halifax Funds pursuant to investment management agreements. These relationships and related management or other fees are

disclosed in the private offering memorandum in connection with the launch of such Halifax Funds.

Halifax Funds (which are each advised by Halifax) may on occasion compete for the same investment opportunities. In response to the potential conflicts created by such competition, Halifax seeks to allocate investment opportunities among the Halifax Funds in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, risk tolerance, return targets, permissible and preferred asset classes and liquidity needs of each Halifax Fund. In addition, certain Halifax Fund agreements prescribe additional requirements for the allocation of investment opportunities, which will be disclosed to investors prior to their investment in such Halifax Fund. Under no circumstances may Halifax or any affiliate allocate investment opportunities based on anticipated compensation or profits to The Halifax Group, Halifax, any affiliates or their employees. Each Halifax Fund has its own investment guidelines, charter and organizational documents, and geographical and industry focus that is taken into account when making investment allocation determinations.

Halifax provides sub-advisory services to SCP Management LLC and SCP Advisors LLC, joint venture vehicles in which a Halifax affiliate holds an interest, for purposes of managing a pooled investment vehicle. A Halifax affiliate is entitled to a fixed fee for such services. Management of such pooled vehicles is effected through committees which include Halifax professionals as well as third parties.

The conflicts of interest discussed above, and the methods Halifax and its supervised persons utilize to address these conflicts, are disclosed to Halifax Fund investors in further detail in each applicable Halifax Fund's governing agreements before they invest.

D. Recommendation or Selection of Other Investment Advisers

Halifax does not recommend other investment advisers for the Halifax Funds.

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

A. Code of Ethics

Halifax is a fiduciary to its clients, currently the Halifax Funds. This means that Halifax and its employees must put the interests of the Halifax Funds first. To that end, Halifax employees are required to:

- Place the interests of the Halifax Funds above any personal interests;
- Seek to identify conflicts of interest and observe established resolution procedures as described in Halifax's Code of Ethics and Compliance Policies and Procedures;
- Avoid misleading or inaccurate statements that may be attributed to Halifax;

- Conduct all personal securities transactions in a manner consistent with Halifax's Code of Ethics (including preclearance and reporting of transactions);
- Report any violations of the Code of Ethics, or Halifax's Compliance Manual generally, to the CCO; and
- Comply with applicable provisions of the federal securities laws.

See Items 11.C and 11.D below for further details regarding Halifax's Code of Ethics.

Copies of Halifax's code of ethics are available to any client or prospective client upon request.

Halifax's policies and procedures for addressing conflicts of interest generally are also described in more detail at Item 8.B above.

B. Participation or Interest in Client Transactions

Halifax provides ongoing portfolio management for the Halifax Funds. Investment decisions are made by Halifax's Investment Committee. The Investment Committee is responsible for monitoring and managing each Halifax Fund's investment portfolio in accordance with the particular Halifax Fund's investment objectives, limitations, and guidelines, and as set forth in the Halifax Fund's advisory or management agreement and the governing Halifax Fund agreements.

Halifax is subject to restrictions disclosed to investors in the applicable Fund agreements relating to principal transactions, cross trades or other affiliated transactions, in which Halifax or its personnel may have interests that are not aligned with the interests of one or more Funds.

A "principal transaction" occurs when Halifax, or one of its affiliates, sells a security to an advisory client. Principal transactions are permitted only if Halifax (i) makes written disclosure to the client of the capacity in which it is acting and (ii) obtains the Halifax Fund client's prior consent to the transaction. Halifax and its affiliates will not ordinarily enter into principal transactions. In certain cases, if Halifax deems it to be in a client's best interest to be party to a principal transaction, Halifax may enter into a principal transaction with the consent of the applicable Halifax Funds and the prior approval of the CCO and the Chief Executive Officer.

Transactions between Halifax Funds, as principals, for example sales of portfolio investments from one Halifax Fund to another, also present a risk that the terms of the transaction favor one Halifax Fund (and its underlying investors) at the expense of the other. Because Halifax controls both Halifax Funds, it faces conflicts of interest in seeking to establish fair terms for such a transaction. Halifax maintains policies and procedures designed to address such conflicts (including seeking the consent of investors in the Halifax Funds) and other procedures and requirements as specified in the applicable Halifax Fund agreements, which are disclosed to investors prior to their investment.

A “cross trade” occurs when Halifax effects a securities transaction between two (or more) of its managed client accounts. All cross trade transactions are conducted in accordance with applicable law and with appropriate client consent.

An “affiliated transaction” is any other transaction in which Halifax or its employees has an interest in the transaction other than those described above. In general, the governing documents of each Halifax Fund prohibit any transaction with Halifax or its affiliates unless the terms of such transaction are on an arm’s-length basis and on terms no less favorable to such Halifax Fund that would be obtained in a transaction with an unaffiliated party.

C. Personal Trading

Conflicts of interest may arise between a Halifax Fund and Halifax when Halifax or a related person invests in the same securities that it recommends to Halifax Funds, or has another interest in a transaction that is, or may be, in conflict with the interest of any of Halifax’s Funds.

Halifax employees may have personal conflicts of interest, such as (i) a material interest in a transaction to be entered into with or for a Halifax Fund; (ii) a relationship that gives or may give rise to a conflict of interest in relation to a transaction or (iii) another interest in a transaction that is, or may be, in conflict with the interest of any of Halifax’s Funds.

To address these conflicts, Halifax’s Code of Ethics (discussed in Item 11.A above) requires that each Halifax employee submit to the CCO a report of his or her current holdings of securities, including securities holdings of any account which such employee manages or exercises (or shares) investment discretion, as well as holdings of his or her domestic partner and any immediate family members residing with the employee. The employee must update this report annually.

Halifax’s Code of Ethics also requires that all Halifax employees obtain the approval of the CCO before directly or indirectly acquiring beneficial ownership in any security in an initial public offering or a private transaction (for example, private placements and limited offerings). Employees must get approval before directly or indirectly acquiring unregistered securities in any type of private transaction. The CCO may place additional restrictions on an employee’s personal trading activities. The CCO monitors personal securities trading for unusual or excessive trading patterns.

D. Personal Trading Contemporaneous with Client Transactions

Conflicts of interest may arise when Halifax (or a related person) or its employees buy or sell securities for client accounts at or about the same time as it buys or sells the same securities for its own account. In these situations, Halifax addresses actual or potential conflicts of interest in the manner outlined in Item 11.C above.

In addition to the report of current holdings described in Item 11 C. above, Halifax’s Code of Ethics requires that employees must submit a quarterly transaction report giving information on the employee’s personal trading activities. All Halifax employees must obtain the approval of the CCO before directly or indirectly acquiring beneficial ownership in any security in an initial

public offering or a private transaction (*e.g.* private placements and limited offerings). Halifax requires preclearance before an employee directly or indirectly acquires unregistered securities in any type of private transaction. The CCO may place additional restrictions on an employee's personal trading activities. The CCO monitors employees' personal securities trading for unusual or excessive trading patterns.

Employees are not permitted to buy or sell any security or property, or cause another person to do so, if the employee is in possession of "material" nonpublic information relating to the security and/or the issuer of the transaction. Employees may not disclose this information to a third party to use in securities transactions. In general, "material" information means information that would have a significant impact on an investor's decision to buy or sell the security.

ITEM 12 - BROKERAGE PRACTICES

A. Selection of Broker-Dealers

Given the nature of the Halifax Funds' investment program, Halifax does not usually transact through broker-dealers. However, in situations where Halifax may need to select a broker-dealer, Halifax will consider the broker's execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery and ability to obtain best execution for all client securities transactions. Halifax does not have any agreements in place that require that Halifax give any specified amount of brokerage to any broker-dealer.

1. Research and Other Soft Dollar Benefits

In practice, Halifax's investment program typically does not include investments in listed companies. As a result, it is Halifax's policy not to enter into soft dollar arrangements or to accept soft dollars.

2. Brokerage for Client Referrals

To the extent Halifax engages in selecting or recommending broker-dealers, such decisions are made as described in Item 12.A above, and not in consideration of whether Halifax or a related person receives client referrals from a broker-dealer or a third party.

3. Directed Brokerage

Directed brokerage occurs when a client directs an adviser to execute transactions through a specified broker-dealer. This practice may cause clients to pay more money because the adviser cannot aggregate purchases or sales of securities with a broker-dealer and obtain a more favorable rate. Directed brokerage also occurs when an adviser routinely recommends, requests or requires clients to execute transactions through a specified broker-dealer. Given that Halifax generally maintains investment discretion on behalf of the Halifax Funds, Halifax can generally require the Halifax Funds to use a specified broker-dealer. Not all investment advisers require their clients to direct brokerage in this manner. As a result of this practice, Halifax may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money.

B. Aggregation of Orders of Securities for Client Accounts

Although the investments of the Halifax Funds do not generally require the services of a broker-dealer, Halifax may seek to aggregate orders of securities for the account of the Halifax Funds where practicable.

ITEM 13 - REVIEW OF ACCOUNTS

A. Periodic Review of Client Accounts

The portfolio investments of Halifax Funds are regularly reviewed by Halifax investment professionals. These professionals monitor operations, overall performance, financial performance and strategic direction of each portfolio company owned by the Halifax Funds. The Halifax Investment Committee as a whole performs periodic comprehensive reviews. The offering documents for each Fund contain specific descriptions of the oversight and monitoring of the portfolio investments of each Fund.

B. Factors that Trigger a Review of Client Accounts

Halifax investment professionals review the portfolio investments of Halifax Funds on a periodic basis, although there are no specific factors that trigger a review.

C. Reports to Clients Regarding Their Accounts

Halifax delivers written financial reports to the Halifax Funds (and their investors) on a quarterly basis. These reports include information relevant to the Halifax Fund's investments (and each investor's investment in such Halifax Fund). In general, the Halifax Funds (as well as their investors) receives written audited annual financial statements (including a balance sheet and a statement of income or loss) for the applicable Halifax Fund.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

A. Client Referrals

Halifax does not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to its Halifax Funds.

B. Compensation for Client Referrals

Halifax or The Halifax Group sometimes enters into arrangements in which persons assist in the capital-raising efforts of a Halifax Fund in exchange for a fee. These relationships could affect the independence of the third party in connection with their recommendations of a particular Halifax Fund. As a matter of policy, Halifax and its affiliates seek to procure that in connection with any such placement agent or finders' arrangement disclosure of the agreement (including compensation thereunder) is made to investors in the Halifax Fund in respect of whose investment such placement or finders' fee applies. Halifax does not engage any placement agent

or finder that is not duly registered with FINRA (or, if applicable, corresponding non-U.S. authorities).

ITEM 15 - CUSTODY

As required by SEC rules, Halifax maintains Halifax Fund assets with “qualified custodians.” Because the Halifax Funds are audited and deliver audited financials to investors within 120 days of calendar year end, the Halifax Funds (as well as investors therein) will not receive reports directly from Halifax’s “qualified custodian.”

ITEM 16 - INVESTMENT DISCRETION

Halifax has discretionary authority to manage securities on behalf of the Halifax Funds. This authority is limited by each Halifax Fund’s organizational documents and investment guidelines, as specifically negotiated between Halifax and Halifax Fund investors. For additional discussion of limitations clients may impose on investing in certain securities or types of securities, see Item 4.C above.

ITEM 17 - VOTING CLIENT SECURITIES

A. Authority to Vote Client Securities

SEC rule 206(4)-6 requires all investment advisers who exercise voting authority over client proxies to: (i) adopt policies and procedures for voting proxies in the best interest of the client; (ii) describe the procedures to clients; and (iii) inform clients how they may obtain information about how the adviser has actually voted their proxies.

Halifax has policies and procedures that Halifax believes are reasonably designed to ensure that proxies are voted in the best interests of Halifax clients and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. For routine matters, such as electing or re-electing Board members and setting the time and location of annual meetings, Halifax generally votes in accordance with the recommendation of the portfolio company’s management unless, in Halifax’s opinion, such recommendation is not in the best interest of the Halifax Fund. For non-routine matters, such as changing the state of incorporation or extending shareholders’ rights, Halifax typically votes in support of management, but decides these matters on a case-by-case basis. Halifax abstains from voting or affirmatively decides not to vote if Halifax determines that abstaining or not voting is in the best interest of the Halifax Fund.

If Halifax determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, Halifax votes in accordance with its proxy voting guidelines unless it deems a departure from the policies would be in the best interest of the Halifax Fund. In any case, Halifax must take action in accordance with the Halifax Fund’s governing documents or as otherwise determined to be in the best interest of the Halifax Fund. This may include seeking approval of the voting decision for such proxy proposal from the relevant Halifax Fund’s IAC.

Proxies are voted in accordance with Halifax’s proxy voting guidelines by Halifax investment staff unless an exception is warranted. The CCO or his designee reviews all such proxies prior to

submission. The CCO coordinates the receipt of each proxy, the communication of the votes to third parties and the maintenance of all supporting documentation.

Information requests regarding Halifax's proxy voting policies and procedures or how Halifax has voted on specific proxies may be made to the CCO of Halifax.

Because Halifax has authority to vote client securities, Item 17.B of Form ADV Part 2A (addressing considerations if an adviser does not have authority to vote client securities) has been omitted.

ITEM 18 - FINANCIAL INFORMATION

A. Balance Sheet

Not applicable.

B. Financial Conditions Likely to Impair Contractual Commitments

Halifax is unaware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients.

C. Bankruptcy Petitions

Halifax has not been the subject of a bankruptcy petition at any time during the past ten years.