

Kabouter Management, LLC

1 E. Wacker Drive, Suite 2505

Chicago, IL 60601

312-546-4260

www.kaboutermgmt.com

FORM ADV, PART 2A BROCHURE

March 30, 2012

This Form ADV, Part 2A (the “Brochure”) provides information about the qualifications and business practices of Kabouter Management, LLC (“Kabouter”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this Brochure, please contact us via e-mail at linda@kabouterfund.com. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Kabouter is also available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Kabouter is 153099.

Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This Brochure is neither an offer to sell nor a solicitation of an offer to buy shares or interests in any of the privately offered investment funds advised by Kabouter. An offer of interests in such funds can be made only through the offering materials for the relevant fund and only in jurisdictions in which such an offer would be lawful.

Item 2 – Material Changes

This Item 2 discusses only specific material changes that are made to this Brochure. Since the last annual update of our Brochure on March 31, 2011, Kabouter began advising (rather than sub-advising) International Select Partners, LP (formerly known as Talon International Select Partners, LP). As part of that change, our affiliate was appointed as general partner of International Select Partners, LP. Accordingly, discussion concerning our advisory business (Item 4), fees and expenses (Item 5), and certain risk factors associated with new primary advisory activities of this fund (Item 8) was updated. We also note that we made various non-material changes throughout the Brochure to clarify certain services and practices of our firm.

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Item 4 – Advisory Business

Kabouter Management, LLC is a registered investment adviser based in Chicago, Illinois. Kabouter is organized as a Delaware limited liability company and has been providing investment advisory services since 2003. Peter Zaldivar and Marcel Houtzager are the founders and principal owners of the firm. Kabouter provides investment management services to certain privately offered pooled investment vehicles (each, a “private fund,” and collectively, “private funds”) and separately managed accounts. The following paragraphs describe our advisory services and fees.

Private Funds

Kabouter serves as the investment manager or investment adviser to several private funds. The primary investment objective of each private fund is to provide investors with an above-average long-term return from a portfolio invested primarily in equity securities of smaller or mid-sized companies located outside the United States, although Kabouter may employ secondary strategies. Each private fund has different investment features which may include varying levels of management and performance fees, withdrawal rights, investment guidelines, investment minimums, investor qualification standards and liquidity terms. Investors should refer to a specific private fund’s offering memorandum or organizational documents for a complete description of that fund, including its strategies, risks and expenses.

The governing documents for the private fund and/or the investment advisory agreement, if applicable, govern Kabouter’s advisory services provided to the private fund. The governing documents generally provide that the private fund may be dissolved upon Kabouter’s dissolution, withdrawal from the private fund or resignation as the manager or investment adviser.

The private funds are exempt from registration as an investment company under Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended (the “Company Act”).

Separately Managed Accounts

Kabouter has been providing separately managed account solutions to clients since May 2006. The customized offerings generally follow the same portfolio construction process as the private funds. For our separate account clients, we may customize an investment portfolio in accordance with the client’s risk tolerance and investment objectives. Clients may also impose investment restrictions on our management of the separate account. For example, clients may specify that investments in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrict or prohibit transactions in the securities of a specific industry or issuer, including socially responsible investment restrictions. Once we construct an investment portfolio, we will monitor the performance of each client’s portfolio on an ongoing basis and will rebalance the portfolio as required by changes in market conditions.

Our investment advisory agreement contains an authorization by which clients grant us discretion to make purchases and sales for their accounts without requiring us to obtain their consent or approval prior to each transaction, to select the types and amounts of securities that we buy or sell for their accounts, the broker or dealer we use to effect such transactions and the commission rates paid. As noted above, clients may specify their investment objectives and guidelines, select their portfolio strategy and impose certain restrictions or investment parameters.

Our investment advisory agreement may be terminated upon 60 days’ written notice to our firm. Clients will receive a prorated refund of any fees paid in advance. If clients pay fees at the end of a quarter in arrears, they will incur a pro rata charge for services rendered prior to the termination of the agreement, which means they will incur advisory fees only in proportion to the number of days in the quarter for which they are a client.

Assets Under Management

As of December 31, 2011, we manage \$239,374,863.64 in client assets on a discretionary basis. We do not manage assets on a non-discretionary basis.

Item 5 – Fees and Compensation

Fees for the private funds and separately managed accounts are discussed in this item.

Private Funds

The rates at which our fees are charged vary across our private funds and, as to a particular fund, may also vary across investment options available to investors. As compensation for our investment management services to the entities, we receive an annual management fee ranging from 1% to 2% of the applicable entity's net assets. In addition, we may receive an performance allocation for our services, ranging from 0% to 20% of net profits achieved over a traditional or modified high water mark. Certain funds offer lower fees in exchange for longer lock-up periods, and certain funds offer the option of a performance allocation based on the performance of such private fund relative to the performance of selected indices. In addition, investors may pay lower fees than other investors based on the amount of assets invested in the fund.

The fees and expenses applicable to each private fund are described in such fund's private offering memorandum or organizational documents. Management fees typically are paid quarterly in advance as a percentage of each investor's capital account balance. Performance allocations are generally made at the end of the fiscal year. Fees and allocations are deducted directly from investors' capital accounts in the applicable private fund. We receive a prorated portion of the management fee and performance allocation with respect to interests in a fund issued at any time other than the beginning of any quarter or redeemed prior to the end of any quarter or performance period. Any prepaid but unearned fees will be refunded.

We reserve the right to apply a different management fee and/or performance allocation to different investors and to waive any management fee and/or performance allocation in whole or in part for particular investors in our discretion. Fees for a separate account client are negotiable or may vary from the amounts set forth in this Brochure. We may launch or manage other funds or accounts with higher or lower fees and/or different compensation structures. Different client facts and circumstances, including the client's investment strategy, liquidity profile and prevailing market terms, will be considered in determining applicable fees.

Separately Managed Accounts

We charge an annual fee ranging from 0.5% to 2% of client assets under management, depending upon the complexity of the strategy and the size of the account, among other factors. In addition, we sometimes receive an annual performance fee payable in arrears for our services, ranging from 5% to 20% of profits achieved over a high water mark.

Our advisory fee is generally billed and payable quarterly in advance, based on the value of a client's account at the end of the previous quarter. If the investment advisory agreement is executed at any time other than the first day of a calendar quarter or terminated prior to the end of a calendar quarter, our fees will apply on a pro rata basis.

Our investment advisory agreement contains written authorization permitting our fees to be paid directly from each client's account. We will send each client and the qualified custodian that they select for such account an invoice showing the amount of fees due along with the account value on which the fee is based and how the fee was calculated, and we will deduct our fee directly from such client's account through the qualified custodian holding such funds and securities. We urge our clients to review all statements received from their custodians for accuracy.

Additional Fees and Expenses

As part of our investment advisory services, we may invest, or recommend that a client invest, in mutual funds and exchange-traded funds. The fees that a client pays to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange-traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management, custodial and transfer agent fee and other fund expenses.

Our fees are exclusive of brokerage commissions, custodial fees, transaction fees and other related costs and expenses. These charges and fees are typically imposed by the broker-dealer or custodian through which client account transactions are executed. The private funds and separately managed accounts may also be subject to administrative, legal, audit and any other professional expenses. We do not share in any portion of these commissions, fees and expenses. Please refer to the applicable private fund or separately managed account offering memorandum for more information.

We may pay client costs and expenses directly out of our own account for and on behalf of the client.

Please refer to Item 12 for a description of the factors we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

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

In addition to the management fees described in Item 5 above, clients are generally subject to an annual performance fee or allocation based a percentage of net profits (including realized and unrealized gains and losses) achieved over a traditional or modified high water mark.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In addition, performance fees may vary among clients. Accordingly, clients may be subject to actual or potential conflicts of interest by the management of multiple accounts that follow similar or the same investment strategy. The potential conflict for the private funds presents itself at both the client and investor level. Such a conflict may create an incentive for us to favor one client over another. Our policies regarding trade allocation as well as our Code of Ethics are designed to mitigate this risk. See Item 11 below.

Performance-based fees also may create an incentive for our firm to overvalue investments that lack a market quotation. Although we generally invest in securities that have a market quotation, to address this possible conflict, we have adopted policies and procedures that require our firm to “fair value” any investments that do not have a readily ascertainable value.

Item 7 – Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and private funds that are not registered with the SEC as investment companies under the Company Act.

Investment in the private funds generally requires a minimum investment of \$500,000, although the manager or general partner may accept lesser amounts in its discretion. In addition, investment in the private funds is limited to “accredited investors” within the meaning of Regulation D under the Securities Act of 1933 and “qualified clients” as defined in Rule 205-3 under the Investment Advisers Act of 1940. Certain private funds may also require that investors be “qualified purchasers,” as defined in Section 2(a)(51) under the Company Act. Each fund's private offering memorandum or organizational documents includes a complete discussion of the eligibility requirements applicable to that fund, including any applicable lock-up period.

We generally require a minimum account size of \$20,000,000 for the establishment of a separately managed account. We may waive this requirement in our discretion. We may aggregate related client accounts to meet this account minimum in our discretion.

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

Our firm relies primarily on its independent, internally generated research to uncover companies that may be less well known than the more popular names. In selecting companies in which to invest, we emphasize long-term growth prospects as well as quality management that has the ability to adapt to changing markets and technologies. We base our assessment of companies on qualitative criteria including: the general reputation of the company, the stability of the organization, our subjective view on the quality of management, and information obtained through interviews with management, as well as the company's competitors and suppliers. We also seek to invest in companies whose future prospects are not fully appreciated by others; for example, companies that the market has not correctly valued by overlooking regional and industry trends as such trends relate to the companies. In addition, our firm may utilize quantitative analysis examining factors such as revenues, earnings, margins and market share. The private funds invest primarily in the equity securities of smaller or mid-sized companies located outside the United States offering the potential for equity growth.

In managing separately managed accounts and the private funds, we may invest in a wide variety of securities and financial instruments, domestic and foreign, whether publicly traded or privately placed. That being said, client assets typically will be invested in publicly traded equity securities. Our investments may include common and preferred stocks, bonds and other debt securities, limited partnership interests, mutual fund shares, exchange-traded funds, options, warrants, futures, currencies, monetary instruments and cash and cash equivalents.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon the stated objectives of each private fund and, in the case of separately managed accounts, each client's investment objectives and risk tolerance. Any restrictions and guidelines may affect the composition of a client's portfolio.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that a client's financial goals and objectives will be met. Past performance is in no way an indication of future performance. We set forth below material risks of investing with us.

The material risks set forth below are qualified in their entirety by the more detailed risk disclosure in the applicable private fund offering documents.

Other Risks

- *Stock Market Risk.* There is a risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- *Equity and Equity-Related Instruments.* Stocks and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. "Equity securities" may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts, partnerships, joint ventures or limited liability companies and similar

enterprises, warrants and stock purchase rights. Equity securities fluctuate in value, and such fluctuations can be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that a client holds may decline over short or extended periods.

- *Non-U.S. Investments.* Investments in securities of non-U.S. issuers and the governments of non-U.S. countries involve special risks not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, social, political and economic instability and adverse diplomatic developments; the possibility of the imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies, and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the United States, and such markets may not provide the same protections that are available in the United States. With respect to certain countries, there may be the possibility of political, economic or social instability, the imposition of trading controls, import duties or other protectionist measures, various laws enacted for the protection of creditors, and greater risks of nationalization or diplomatic developments that could materially adversely affect investments in those countries. Investment in non-U.S. countries may also be subject to withholding or other taxes, which may be significant and may reduce the investment returns.
- *Country Risk.* Domestic events -- such as political upheaval, financial troubles or natural disasters -- may weaken a country's securities markets. Because we may invest a large portion of a client's assets in securities of companies located in any one country, performance may be disproportionately impacted by the poor performance of investments in a single country.
- *Smaller Company Securities Risk.* Securities of small or mid-capitalization companies ("smaller companies") can, in certain circumstances, have a higher potential for gains than securities of large-capitalization companies, but they also may have more risk. For example, smaller companies may be more vulnerable to market downturns and adverse business or economic events than larger, more established companies because they may have more limited financial resources and business operations. These companies are also more likely than larger companies to have more limited product lines and operating histories and to depend on smaller management teams. Their securities may trade less frequently and in smaller volumes and may be less liquid and fluctuate more sharply in value than securities of larger companies. In addition, some smaller companies may not be widely followed by the investment community, which can lower the demand for their stocks.
- *Currency Risks.* Purchasing instruments denominated in foreign currencies or engaging in currency trading has certain risks, including illiquidity, blockages by governments, political unrest or other factors, failure or inability to deliver, pressures from speculators, and other factors that can result in losses with respect to such instrument and currencies, notwithstanding any nominal returns or value. In addition, to the extent that currency risk is not hedged, changes in the values between the denominated currency of a client account and other currencies can increase or reduce the actual returns from investments

denominated in other currencies. Client accounts may at times have significant currency exposure. Therefore, market movements in the underlying currencies could result in substantial losses.

- *Debt and Other Income Securities.* Fixed-income securities are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed-income securities increase when prevailing interest rates fall and decrease when interest rates rise. Market risk relates to the changes in the risk or perceived risk of an issuer, country or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. Investors may lose money if the issuer of a fixed-income security is unable to pay interest or repay principal when due. Credit risk applies to most fixed income securities. The values of income securities may also be affected by changes in the credit rating or financial condition of the issuing entities.
- *Use of Derivatives.* Certain private funds or clients may use derivative instruments, which may include without limitation, warrants, options, swaps, forward contracts, and futures contracts. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage often embedded in such instruments and the possibility of counterparty nonperformance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative (*i.e.*, due to nonconformance to anticipated or historical correlation patterns). In addition, the markets for certain derivatives are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out positions in order to realize gains or to limit losses.
- *Swaps.* Investments in swaps involve the exchange between two parties of all or a portion of their respective interests or commitments. In the case of currency swaps, one party may exchange with another party their respective commitments to pay or receive currency. Use of swaps involves risk of default by the counterparty. If there is a default by the counterparty to such a transaction, the non-defaulting party will have contractual remedies pursuant to the agreements related to the transaction. There are currently a large number of banks and investment banking firms acting both as principals and agents and utilizing standardized swap documentation. As a result, swap markets are normally relatively liquid in comparison with the markets for other similar instruments that are traded in the interbank market. However, in times of market turmoil, spreads can widen substantially and these markets can become very illiquid, with the result that positions may not be able to be offset or closed out at a reasonable price, if at all.
- *Futures Contracts and Options on Futures Contracts.* In entering into futures contracts and options on futures contracts, there is a credit risk that a counterparty will not be able to meet its obligations. The counterparty for futures contracts and options on futures contracts traded in the U.S. exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the corporate members of the clearinghouse who are required to share any financial burden resulting from the nonperformance by one of its members and, as such, should significantly reduce this credit risk. In cases in which the clearinghouse is not backed by the clearing members, it is normally backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearing member or clearinghouse will be able to meet its obligations.
- *OTC Transactions.* In general, there is less governmental regulation and supervision in the "over the counter" ("OTC") markets than of transactions entered into on an organized

exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This exposes clients to the risk that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract.

- *Restricted or Illiquid Securities.* The funds may purchase securities subject to restrictions on resale. Restricted securities may be sold only pursuant to an exemption from registration under the Securities Act, or in a registered public offering. Where registration is required, the holder of a registered security may be obligated to pay all or part of the registration expense, and a considerable period may elapse between the time it decides to seek registration and the time at which it may be permitted to sell a security under an effective registration statement. Difficulty in selling such securities may result in a loss to the fund or cause it to incur additional administrative costs.
- *Liquidity Risk.* For investors in the private funds, there is no public market for the interests in the private funds, nor is any expected to develop. Even if such a market develops, no distribution, resale or transfer of an interest in the private funds will be permitted except in accordance with the restrictions in the partnership agreement. Any transfer of an interest in the private funds will require our or the general partner's consent. Restrictions on the transfer of interests and on withdrawal are explained in more detail in the offering documents of the private funds which are available on request.
- *Tax Implications.* Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of client assets. Regardless of client account size or any other factors, we strongly recommend that clients continuously consult with a tax professional prior to and throughout the investing of their assets.

Item 9 – Disciplinary Information

Item 9 is not applicable to us as we have no reportable material legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

There are no material limitations on our ability to conduct any other business, including any business within the financial or securities industry, whether or not that business is in competition with any client.

An affiliate, which is under common ownership and control with us, serves as general partner for a private fund for which we also serve as investment manager. In addition, we serve as the managing member for certain private funds. The affiliate, as general partner, and Kabouter, as managing member, have general authority over the business and affairs of the private funds, including Kabouter's engagement as investment manager, subject to the terms of the fund client's governing documents. We receive both a management fee and a performance fee or allocation for these private funds as described above in Items 5 and 6.

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

Description of Our Code of Ethics

We have adopted a Code of Ethics, the full text of which is available to clients upon request via e-mail at linda@kabouterfund.com. We strive to comply with the applicable laws and regulations governing our advisory services. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our firm's principals and employees. Provisions in the Code of Ethics relate to the confidentiality of

client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. Our goal is to protect our clients' interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with clients. All our employees are expected to adhere strictly to these guidelines and must acknowledge their obligation to comply with the Code of Ethics annually. Our Code of Ethics also requires that certain employees submit reports of their personal account holdings and transactions to our Chief Compliance Officer, who will review these reports on a periodic basis.

Our firm's principals and employees may serve as officers or directors of, or have similar positions with, companies in which client assets are invested. A list of those companies will be maintained by the Chief Compliance Officer and delivered to each person covered by the Code of Ethics. To reduce the possibility that a transaction in a security of such a company might take place during a time when such person might be in possession of inside information, every transaction in a security of such a company, whether for a client account or a personal account, must be approved, in advance, by the Chief Compliance Officer. Transactions in such securities, if any, by the Chief Compliance Officer must be approved, in advance, by a principal of Kabouter.

Participation or Interest in Client Transactions

As described above, we serve as the investment manager or investment adviser to certain private funds and separately managed accounts. Persons associated with our firm may have significant investments in these funds.

We advise, and may organize or advise in the future, investment vehicles that invest in similar or different investments. The management of these clients may conflict in some circumstances. For example, we may determine that an investment opportunity in a client is appropriate for a particular client, but not for another. We may have different types of clients, including private funds and separate accounts, and our clients may be subject to different regulations. Clients may have different investment strategies, objectives and restrictions and may be subject to different terms. These terms include, but are not limited to, the following: investor lock-up periods, management and performance fees, liquidity terms, rights to receive information regarding the portfolio and such other rights as may be negotiated by investors or other accounts. As a result, we may have an incentive to favor one account over another when making investment decisions.

There may be instances when allocating investments among clients in which some clients may participate in certain opportunities while other clients may not. Where accounts have competing interests in a limited investment opportunity, we may not allocate investment opportunities pro rata among clients but rather allocate investment opportunities on the basis of numerous other considerations, including, without limitation, a client's cash flows, investment objectives and restrictions, participation in other opportunities, compliance with applicable laws, and tax concerns as well as the relative size of different accounts' same or comparable portfolio holdings.

Taking into consideration the conflicts of interest disclosed above, it is important to note that it is our policy to allocate, to the extent operationally and otherwise practical, investment opportunities to each client on a fair and equitable basis relative to our other clients.

Personal Trading Practices

In appropriate circumstances consistent with our clients' investment objectives, we may cause certain client accounts to purchase or sell securities in which certain employees and/or our clients (including pooled investment vehicles referenced above) directly or indirectly have a position or interest. Those employees who provide investment advice to clients are required to comply with our Code of Ethics prior to investing for their own accounts in securities that are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal security transactions, activities and interests of those individuals will not interfere with making investment decisions in the best interests of our clients.

Under our Code of Ethics, personal securities transactions generally must be cleared with our Chief Compliance Officer. However, certain classes of securities (including mutual funds and exchange-traded funds) and transactions (including non-volitional stock splits, etc.) are designated as exempt from pre-clearance requirements, based upon a determination that trading in these securities would not materially interfere with the best interests of our clients. There is a possibility that our employees or existing clients may benefit from market activity by another client. Personal trading by Covered Persons (generally our principals, investment personnel and other persons who have access to investment recommendations) is monitored under our Code of Ethics to reasonably prevent conflicts of interest with our clients.

Cross Trades

From time to time, we may determine that a sale of positions from one client account to another is in the best interests of both accounts. This may arise, for example, if one account is being wholly or partially liquidated to fund withdrawals, while another account has cash available for investment. Neither we nor our affiliates will receive commissions or otherwise profit from such cross trades, and our Chief Compliance Officer is required to approve all cross trades in advance. Where required by applicable law or in other appropriate circumstances as we determine in our discretion, we may obtain the consent of the affected clients prior to conducting such trades. In the context of a private fund, we may appoint an independent representative of the fund or one or more investors to an investor committee to consent on behalf of the fund to a rebalancing transaction or other transactions in which participating accounts may have divergent interests. Any consent given by the independent representative or investor committee on behalf of a fund would be binding upon all investors in such fund. The fund may agree to reimburse any such representatives or investor committee members for their reasonable out-of-pocket expenses and to indemnify them to the maximum extent permitted by law.

Aggregation of Orders

We may aggregate trade orders to purchase securities for clients. Please refer to Item 12.

Item 12 – Brokerage Practices

We maintain trading relationships with several broker-dealers. For separately managed accounts, while clients are free to choose any broker-dealer (see “Directed Brokerage” below), we recommend that clients establish an account with a brokerage firm with which we have an existing relationship. We seek to ensure that the broker-dealers we use to execute trades are doing so in a competitive fashion for our clients. Specifically, in choosing a broker-dealer to execute a transaction, we seek to obtain “best execution” for the affected client’s account, meaning a combination of the best net price and execution under the circumstances. We determine which broker-dealer provides best execution by taking into consideration (i) the ability of the broker or dealer to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any), (ii) the operational efficiency with which transactions are effected (taking into account the size of the order and the difficulty of execution), (iii) the financial strength, integrity and stability of the broker or dealer, (iv) the quality, comprehensiveness and frequency of available research services considered to be of value, and (v) the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria. In recognition of the value of research services and additional brokerage products and services (discussed further under “Soft Dollar Practices” below), we may pay higher commissions and/or trading costs than those that may be available elsewhere. In addition, although such products and services may generally benefit our firm, they may not directly relate to transactions executed on a specific client’s behalf.

Soft Dollar Practices

In selecting or recommending a broker-dealer, we will consider the value of research and additional brokerage products and services and other nonmonetary benefits a broker-dealer has provided or will provide to our clients and our firm. Research products our firm may receive from broker-dealers may consist of economic surveys, data and analyses, financial publications and recommendations or other information about particular companies and industries (through research reports and otherwise).

These benefits may influence us to select one broker over another to perform services for our client accounts. Nevertheless, we will attempt to assure either (i) that the fees and costs for services that brokers offering these benefits provide are not materially greater than services performed by brokers not offering such benefits or (ii) that our client accounts also will benefit from those services.

“Soft dollars” refers to the receipt by an investment adviser of products and services that brokers provide, without making any separate cash payments for such products or services, based on the volume of commission revenues generated from securities transactions placed with those brokers on behalf of the adviser’s clients. The products and services available from brokers include both internally generated items (such as research reports prepared by the broker’s employees) and items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the Securities Exchange Act of 1934, as amended, provides a “safe harbor” to investment advisers who use soft dollars generated by their client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities.

Our use of brokerage commissions to obtain research services creates a conflict of interest between us and our clients because clients pay in the form of higher commissions for products and services that are not exclusively for their benefit and may be primarily or exclusively for our benefit. To the extent that we are able to acquire these products and services without expending our own resources, our use of soft dollars would tend to increase our profitability. In addition, we do not limit soft dollar benefits to those client accounts generating such benefit, nor do we allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

For the sake of clarification, our firm uses research to assist us in making our investment decisions, not just for those accounts whose commissions may be considered to have been used to pay for such research. However, such research products and services are provided to all investment advisers who utilize these firms, and they are not necessarily considered to be paid for with soft dollars.

Directed Brokerage

Clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If clients choose to direct our firm to use a particular broker, they should understand that this might prevent us from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on their behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, clients should consider whether the commission expenses, execution, clearance, and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that we would otherwise obtain for them. We encourage clients to contact us to discuss their available alternatives.

Aggregation of Orders

To ensure that accounts of all clients and portfolios, including the private funds, are treated fairly in the event we place orders for the same security for more than one account at or about the same time, we may combine orders placed on behalf of clients, including advisory accounts in which our firm or our employees have an interest, for the purpose of negotiating brokerage commissions or obtaining a more favorable price. When appropriate, securities purchased or sold may be allocated in terms of amount to a client according to the proportion that the size of the order placed by that account bears to the aggregate size of orders contemporaneously placed by the other accounts, subject to de minimis exceptions. All participating accounts will pay or receive an average price when orders executed on the same day are combined. Although the aggregation of trade orders is expected to benefit clients overall, aggregation may, in any circumstance, disadvantage a particular client. There may be circumstances in which we determine not to aggregate client trade orders that otherwise could have been aggregated or in which aggregation is not feasible.

Item 13 – Review of Accounts

Review of Accounts

Peter Zaldivar and/or Marcel Houtzager, the principals of Kabouter, monitor accounts on an ongoing basis and conduct an internal review of accounts on at least a quarterly basis to assure conformity with investment objectives and guidelines. Triggering factors that may stimulate an interim review include, but are not limited to:

- significant market corrections,
- large deposits or withdrawals from an account,
- substantial changes in the value of a client's portfolio,
- a change in a client's investment objectives,
- year-end tax planning, and/or
- security-specific events.

Reports to Clients

We may provide periodic performance reports upon a client's request. In addition, clients will receive written statements directly from their account custodian on at least a quarterly basis.

We will deliver to investors in the private funds audited written financial reports annually within 120 days after the end of each fiscal year. Investors will also receive a quarterly letter detailing the private fund's performance. In addition, investors will receive unaudited written quarterly summaries of their capital account balance from the administrator of the applicable fund. We will deliver to separately managed account clients monthly statements based on the custodian's accounting statements. Other information may be provided upon request to all or individual investors at the fund's sole discretion.

Item 14 – Client Referrals and Other Compensation

We do not compensate any persons for client referrals, nor do we receive any additional compensation beyond that described in this Brochure.

Item 15 – Custody

We will cause client accounts to be debited directly for the payment of our advisory fees if they have given us written authorization permitting the fees to be paid directly from their account. This ability to deduct our advisory fees causes our firm to exercise limited custody over funds or securities in such clients' accounts; however, we do not have physical custody of clients' funds or securities. Clients' funds and securities will be held with a bank, broker-dealer, or other independent "qualified custodian" (as defined in the SEC's custody rule). We will send monthly statements prepared by the administrator to separately managed account clients upon their request.

In our capacity as manager to certain private funds, we are deemed to have custody of such fund's assets. We maintain the funds' cash and securities with a "qualified custodian" and provide investors in such funds with an annual audited financial statement within 120 days of the end of such fund's fiscal year.

Item 16 – Investment Discretion

Our investment advisory agreement or, in the case of a pooled investment vehicle, its organizational documents or subscription agreement, contains an authorization by which clients grant us discretion to make purchase and sales for their accounts or the pooled vehicle's account without requiring us to obtain client consent or approval prior to each transaction, to select the types and amounts of securities that we buy or sell for such clients' accounts or the pooled vehicle's account, the broker or dealer we use to effect such transactions and the commission rates paid. However, in the case of a separately managed account, clients may specify their investment objectives and guidelines, select their portfolio strategies and impose certain conditions or investment parameters for their accounts. For example, clients may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security.

In all cases, we exercise our discretion in a manner consistent with the investment objectives each client states for its account or as stated in a pooled investment vehicle's offering documents, as applicable. In the case of a separately managed account, we may ask clients to provide us with written investment objectives or guidelines or to confirm their objectives, guidelines, or any trading restrictions when opening the account or at any time after we begin to manage the account.

Item 17 – Voting Client Securities

With respect to separate accounts that we manage, we do not have authority to vote, and will not accept responsibility for voting proxies, on behalf of clients. In addition, we will not offer any advice with respect to the voting of proxies. If a client owns shares of common stock, exchange-traded funds or mutual funds, that client remains responsible for exercising its right to vote as a shareholder for all securities maintained in its portfolio. In most cases, clients will receive proxy materials directly from the account custodian. However, in the event we are to receive any written or electronic proxy materials, we will forward them directly to the applicable client by mail, unless such client has authorized our firm to contact them by electronic mail, in which case, we will forward any electronic solicitation to vote proxies.

With respect to securities we manage for the private funds, we have adopted proxy voting policies and procedures designed to satisfy our duties relating to proxy voting. Proxy voting decisions will be made in light of the anticipated impact of the vote on the desirability of maintaining an investment in a company, from the viewpoint of the best interests of the funds, without regard to any other interests. Neither the private funds, nor the investors in the funds, may direct our vote in a particular solicitation.

Our Chief Compliance Officer must identify any material conflicts of interest related to proxy voting. A conflict of interest may exist, for example, if we have a business relationship with (or are actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Any individual with knowledge of a personal conflict relating to a particular proposal must disclose that conflict to our Chief Compliance Officer and otherwise remove himself or herself from the proxy voting process. If a material conflict of interest arises, we will (i) refer the matter to a third-party proxy voting service; or (ii) prepare a report that (A) describes the conflict of interest; (B) discusses procedures used to address such conflict of interest; (C) discloses any contacts from outside parties (other than routine communications from proxy solicitors) regarding the proposal; and (D) confirms that the recommendation was made solely on the investment merits and without regard to any other consideration. We will retain a copy of such report with the proxy voting log.

Investors in one or more private funds may contact us via e-mail at linda@kabouterfund.com for specific voting guidelines or information on how our firm voted with respect to securities held by such fund(s).

Item 18 – Financial Information

Item 18 is not applicable to us.

Kabouter Management, LLC

Notice of Privacy Policy & Practices

Kabouter Management, LLC (the "Firm") recognizes and respects the privacy expectations of our customers.* We provide this notice to you so that you will know what kinds of information we collect about our customers and the circumstances in which that information may be disclosed to third parties who are not affiliated with the Firm.

Collection of Customer Information

We collect the following nonpublic personal information about our customers:

- Information from the customer;
- Information about the customer's transactions with the Firm or its affiliates;
- Information about the customer's transactions with non-affiliated third parties; and
- Information from a consumer reporting agency.

Information from these sources can include:

- *Account Applications and other forms*, which may include a customer's name, address, social security number, and information about a customer's investment goals and risk tolerance;
- *Account History*, including information about the transactions and balances in a customer's account; and
- *Correspondence*, written, telephonic or electronic, between a customer and the firm or service providers to the firm.

Among other sources, we may collect this information through Internet web sites.

Disclosure of Customer Information

We may disclose all of the information described above to certain third parties who are not affiliated with the Firm under one or more of the following circumstances:

- *As Authorized* – if you request or authorize disclosure of the information.
- *As Required by Law* – for example, to cooperate with regulators or law enforcement authorities.
- *As Otherwise Permitted by Law* – to organizations with which we are not affiliated, if doing so is necessary to provide the service the customer is buying ("Service Providers") – for example, sharing information with companies that maintain, process or service customer accounts or financial products and services or effect, administer or enforce customer transactions is permitted. Among other activities, we may share

* For purposes of this notice, the terms "customer" or "customers" include both (i) individuals who have a continuing client relationship with the firm (e.g., by having an advisory contract with the firm or by holding an investment product through the firm) and (ii) individuals who provide nonpublic personal information to the firm, but who do not have a continuing relationship with the firm (e.g., an individual who provides such information in deciding whether to become a client, whether or not the individual establishes a continuing relationship with the firm).

information with broker-dealers in order to execute customer trades or with custodians that hold securities on behalf of customers. We believe that sharing of information for these purposes is essential to providing customers with necessary or useful services with respect to their accounts.

- *Under Joint Agreements* – we may also share information with companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

Security of Customer Information

We require Service Providers to the Firm:

- to maintain policies and procedures designed to assure only appropriate access to information about customers of the Firm;
- to limit the use of information about the Firm's customers to the purposes for which the information was disclosed, or as otherwise permitted by law; and
- to maintain physical, electronic and procedural safeguards that comply with federal standards to guard non-public personal information about our customers.

We will adhere to the policies and practices described in this notice regardless of whether you are a current or former client of the Firm.

Opting Out

Before we may disclose non-public personal information about any consumer (including any customer) to a non-affiliated third party other than a Service Provider and other than pursuant to one of the exceptions under Regulation S-P, we must provide each consumer an initial privacy policy notice and an opt-out notice. The opt-out notice would describe our planned disclosures and give customers a reasonable opportunity to decline permission to make those disclosures.

Because we do not disclose non-public personal information to non-affiliated third parties, other than Service Providers or pursuant to the exceptions, we are not required to provide opt out notices.

Information Security

Within the Firm, access to information about you is restricted to those employees who need to know the information to service your account. Our employees are trained to follow our procedures to protect your privacy and are instructed to access information about you only when they have a business reason to obtain it. We use physical, electronic and procedural safeguards to keep your information secure.

Changes to Our Privacy Policy

We reserve the right to change our privacy policy in the future, but we will not disclose your non-public personal information except to our affiliates and as otherwise required or permitted by law without giving you an opportunity to instruct us not to.

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Questions?

If you have questions regarding these policies, please contact us by writing to Kabouter Management, LLC, One East Wacker Drive, Suite 2505, Chicago, IL 60601, Attention: Linda Choi, Chief Compliance Officer, or by calling (312) 546-3091.