

BROCHURE OF
LANE FIVE CAPITAL MANAGEMENT LP

A Delaware Limited Partnership registered with the Securities and Exchange
Commission as an Investment Adviser (CRD #157718)

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF LANE FIVE CAPITAL MANAGEMENT LP. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 443-921-2060 AND/OR scott@lanefivecapital.com.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”), NOR ANY STATE SECURITIES AUTHORITY HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THIS BROCHURE. REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING. ADDITIONAL INFORMATION ABOUT LANE FIVE CAPITAL MANAGEMENT LP ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

The date of this brochure (the “Brochure”) is

February 14, 2012

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

Item 2.

Material Changes

There are no material changes to report regarding our advisory business.

Item 3.

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I. Part 2A – FIRM DISCLOSURES

Item 4. Advisory Business:

(A) **Operational and Organizational Information:** Lane Five Capital Management LP (the “Firm”) is a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser. Registration as an investment adviser does not imply a level of skill or training. The Firm has been in business since September 12, 2006. The principal owner of the Firm is Lisa O’Dell Rapuano.

(B) **Types of Advisory Services Offered:** The Firm provides investment management services to, and has discretionary investment authority over the assets of Lane Five Partners LP (the “Fund”) and for separately managed accounts (“Managed Accounts”).

The Fund, a Delaware limited partnership, was formed to pool investment funds of investors. Lane Five Partners GP LLC (the “General Partner”) is responsible for the management of the Fund’s affairs. The Firm does not hold out as specializing in a particular type of advisory service. Please review the Firm’s investment guidelines, specified below under “Client Investment Guidelines and Parameters.”

(C) **Client Investment Guidelines and Parameters:** The Firm’s investment objective is to seek to identify and capitalize on equity market pricing discrepancies to generate returns in excess of risk-free returns, with an emphasis on capital preservation. Advisory services include, among other things, providing advice regarding the selection of investments. Specifically, the Firm provides advisory services to a Fund that operates as a pooled investment vehicle and seeks to provide diversification, management expertise and other advantages to investors. Lower fees for comparable services may be available from other sources.

Regarding an investment in the Fund, each investor’s investment will be allocated in the same manner as each of the other investors who made investments in the Fund. With respect to the Managed Accounts, the Firm tailors its advisory services to the individual needs of its investors in such Managed Accounts, subject to the terms of the governing documents of such Managed Accounts.

(D) **Wrap Fee Programs:** The Firm does not participate in wrap fee programs.

- (E) **Client Assets Under Management:** *(rounded to the nearest \$100,000)*

Discretionary: \$ 108,000,000 as of January 1, 2012

Non-discretionary: None as of January 1, 2012

Item 5. Fees and Compensation:

- (A) **Generally:** All fees are individually negotiated. Circumstances considered when negotiating fees may include, without limitation, customary market rates, specialized guidelines, and other performance/incentive fee/allocation arrangements.

Management fees for Managed Accounts or the Fund are calculated based on a periodic percentage of the value of the assets under management (the “Management Fee”).

In consideration for its services to the Fund, the Firm will receive a Management Fee, calculated at approximately 1.5% annually (0.375% per quarter) of the net assets of the Fund.

In addition, the Firm may collect incentive fees/allocations based on the performance of investments. Please refer to Item 6, below, for a more detailed description of incentive fees/allocations, and related conflicts of interest.

- (B) **Payment of Fees:** Management Fees are billed quarterly in advance as specified in the relevant investment management agreement or applicable pooled vehicle transaction document. The Firm also receives a performance based fee or incentive fee/allocation (the “Performance Allocation”) as defined below. The Performance allocation is tied to the capital appreciation within the client account as evaluated at the end of each calendar year and is payable annually, in arrears.
- (C) **Additional Fees and Expenses:** In addition, clients will incur brokerage and other transaction costs. Clients should review carefully Item 12, which discusses conflicts of interest related to brokerage practices.

- **Organizational Expenses:** The Fund may, at the Firm’s discretion, pay or reimburse the Firm and/or its affiliates for all expenses related to the organization and initial offering expenses of a Fund, including, but not limited to, legal and accounting fees, printing and mailing expenses

and government filing fees (including blue sky filing fees). The Fund may elect to capitalize and amortize organizational expenses over a period of sixty (60) months from the date the Fund commences operations.

- **Operating Expenses:** The Fund shall pay or reimburse the General Partner, the Firm and/or their affiliates for (i) all expenses incurred in connection with the ongoing offer and sale of interests in the Fund (“Interests”), including, but not limited to, marketing expenses, documentation of performance and the admission of investors, (ii) all operating expenses of the Fund such as tax preparation fees, governmental fees and taxes, administrator fees, communications with investors, and ongoing legal, accounting, auditing, bookkeeping, consulting and other professional fees and expenses (e.g., fees and expenses of Fund appointed-directors serving on Boards of Directors of various portfolio companies), (iii) all Fund trading and investment related costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees, clearing and settlement charges), (iv) fees and expenses associated with regulatory filings, including, but not limited to, 13D, 13G, Form 3, Form 4 and Form 5; and (v) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims, assertion of rights or pursuit of remedies, by or against the Fund, including, without limitation, professional and other advisory and consulting expenses and travel expenses, and whether or not pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer. The General Partner, the Firm or their respective affiliates may elect to be reimbursed for such expenses, or to waive their right to reimbursement for any such expenses, as well as terminate any such voluntary payment or waiver of reimbursement.

Withdrawal from the Fund: Subject to the Early Withdrawal Fee (as defined below), investors in the Fund may make partial (minimum \$100,000) or complete withdrawals on a quarterly basis upon at least 90 days’ prior written notice to the General Partner, and in such other amounts and at such other times as the General Partner may determine in its sole discretion.

Any withdrawals of capital by an investor within twelve (12) months from the date such capital was contributed to the Fund will

be subject to a withdrawal fee payable to the Fund equal to 2.0% of the amount withdrawn (the “Early Withdrawal Fee”), unless such Early Withdrawal Fee is waived or reduced by the General Partner.

If an investor purchases Interests on multiple dates, each tranche of Interests will be tracked separately for purposes of the Early Withdrawal Fee, and withdrawals will be deemed made from Interests purchased on the earliest date. The General Partner may agree to waive, reduce or establish a different Early Withdrawal Fee with any investor.

If the General Partner in its discretion permits an investor to withdraw capital other than on a Withdrawal Date, the General Partner may impose an additional administrative fee to cover the legal, accounting, administrative, brokerage, and any other costs and expenses associated with such withdrawal.

Any Managed Account clients will also bear any agreed upon expenses as set forth in the relevant investment management agreement.

(D) **Fees Paid in Advance:** The Management Fee of the Fund will be calculated and payable to the Firm quarterly in advance. Each Managed Account will pay Management Fees, in advance or in arrears, depending on the governing documents of such Managed Account, each of which is individually negotiated.

(E) **Additional Compensation of Supervised Persons:** No supervised person accepts compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

Item 6. Performance Based Compensation and Side-by-Side Management:

Fund: In addition to the Management Fee, the Firm is compensated for its investment management services through the Performance Allocation. As consideration for services provided pursuant to the partnership agreement between the Fund and the Firm, the Firm’s Performance Allocation is determined at the close of each fiscal year and is equal to 20% of the Fund’s annual net income (including realized and unrealized gains and net of the Management Fee) attributable to each investor’s capital account in excess of the Loss Carryforward and the Hurdle Rate (as both terms are defined below).

The Performance Allocation shall not apply to any change in the value of a security or other financial instrument held in a side pocket account, until such security or other financial instrument (or the proceeds thereof) is reallocated to the capital accounts of participating partners.

Upon any withdrawal by an investor, whether voluntary or involuntary, the Performance Allocation shall be charged with respect to the amounts withdrawn. The Performance Allocation shall also be charged upon dissolution of the Fund. The Performance Allocation shall be allocated in addition to, and separately from, the proportionate allocations of income and profits, or losses, to the General Partner and/or its affiliates based upon their capital accounts relative to the capital accounts of all Partners. The General Partner, in its sole discretion, may waive or reduce its Performance Allocation with respect to any investor for any period of time, or agree to modify any such Performance Allocation for that investor. The General Partner, in its sole discretion, may reallocate a portion of its Performance Allocation to certain investors.

Hurdle Rate: Any Performance Allocation that would otherwise be payable with respect to an investor's capital account for any fiscal year (or other applicable period) shall be reduced, if necessary, to the extent required so that the investor's net income allocable to such account is at least equal to the returns over such fiscal year (or other applicable period) of (i) the Standard & Poor's 1500 Composite Index (AMEX: ^SPSUPX), as the composition of such index is amended from time to time ("Index"), or (ii) if the Index is suspended, terminated, or data relating thereto becomes unreasonably difficult or expensive to obtain, or otherwise unavailable, as determined by the General Partner in its sole discretion, such other broadband market index as the General Partner shall determine in its reasonable discretion ("Hurdle Rate") (as the same shall be adjusted for contributions to such investor's capital account).

Loss Carryforward: In addition to the Hurdle Rate, the Performance Allocation is subject to what is commonly known as a "high water mark" provision. That is, if an investor's capital account has a net loss in any fiscal year, this loss will be recorded and carried forward as to such investor to future fiscal years (such amount is referred to as the "Loss Carryforward"). No Performance Allocation will be charged to such investor in any future fiscal year (or other applicable period) until the Loss Carryforward amount for such investor has been recovered (i.e.,

when the Loss Carryforward amount has been exceeded by the cumulative profits allocable to such investor for the fiscal years (or other applicable periods) following the Loss Carryforward). Once the Loss Carryforward has been recovered, the Performance Allocation shall be based on the excess profits (over the Loss Carryforward amount and the Hurdle Rate) as to such investor, rather than on all profits. When an investor withdraws capital, any Loss Carryforward will be adjusted downward in proportion to the withdrawal. The General Partner may agree with any investor to apply a different Loss Carryforward provision for such investor. The “high water mark” provision prevents the General Partner from receiving the Performance Allocation as to profits that simply restore previous losses. Notwithstanding the foregoing, the Firm does not favor accounts that pay Performance Allocations.

Managed Accounts: The Firm receives from clients a mutually agreed upon annual performance fee, which typically is 20% of such clients’ net income for the year in excess of any previously recovered net losses, although the Firm reserves the right to modify such fees on a case by case basis.

Such Performance Allocations or performance fees (collectively, “Performance Compensations”) will be structured and collected in a manner consistent with the requirements of applicable law. Performance Compensation arrangements may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of Performance Compensation. To the extent the Firm values any such securities or instruments it has a conflict of interest as the Firm will receive higher Management Fees and Performance Compensation if it gives such securities and instruments a higher valuation. The Firm does not represent that the amount of the Performance Compensation or the manner of calculating the Performance Compensation is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The Performance Compensation collected by the Firm may be higher or lower than the Performance Compensation collected by other investment advisers for the same or similar services.

In addition, in the event that the Firm manages an account from which it collects Performance Compensation and also manages at the same time an account from which it does not collect Performance Compensation or collects lower Performance Compensation, the Firm has an incentive to favor accounts for which it receives higher Performance Compensation because it will

receive a greater profit from the accounts which are charged Performance Compensation. Therefore, the Firm has an incentive to allocate investments that are expected to be more profitable to accounts from which it collects Performance Compensation, on the one hand, and that are riskier on the other hand, since in both scenarios, the Firm may receive greater compensation if the investment generates a positive return.

Item 7. Types of Clients:

The Firm provides investment advice to a pooled investment vehicle and Managed Accounts. The minimum initial investment in a Fund is \$1,000,000, although the General Partner has discretion to accept lesser amounts. The Firm does not impose any specific minimum investment amount to open or maintain a Managed Account.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss:

(A) **Methods of Analysis and Investment Strategies:** Investing in securities involves risk of loss that investors in the Fund and Managed Account clients should be prepared to bear. The Firm believes that the construction of the Fund's portfolio is as critical as individual security selection. The Firm anticipates that the core characteristics of the Fund's portfolio will include:

- (i) Risk of capital loss managed through portfolio construction;
- (ii) Concentration of long investments;
- (iii) Three-to-five year holding period;
- (iv) Fundamentally-based short positions;
- (v) No market capitalization constraints; and
- (vi) Up to 10% of assets in illiquid securities.

Risk Management and Portfolio Construction. The Firm believes that risk is best defined as long term loss of capital, and generally can be assessed at the security selection level and managed at the portfolio level. The Firm attempts to manage risk and construct the portfolio by taking into consideration: (i) the correlation between risk and return, (ii) profile and range of possible returns, and (iii) time for realization of value. The Firm believes that "diversification" is more sophisticated than delineations by industry or sector. The Fund's diversification strategy will focus on economic, industry, sector, competitive and secular/individual company actions that will drive each scenario within a range of possible returns. The Firm believes that cross

correlations among industries frequently occur and, as a result, the Firm will strive to address this phenomenon by having portfolio companies that draw from a variety of economic drivers. The Firm intends to use the range of possible outcomes determined in its investment process to create and structure the portfolio with companies that have a variety of risk and reward profiles. The Firm also intends to layer the Fund's portfolio to allow values to be realized at different times. There will, therefore, be investments in various stages of pricing efficiency.

Concentration. The Fund may hold a limited number of positions, likely fewer than 30. The General Partner believes that a concentrated portfolio can be appropriately diversified to optimize long-term risk-adjusted return. Additionally, the Firm's research process is intensive and a concentrated portfolio can be constructed to maximize return from the Fund's investment process.

Three-to-Five-Year Holding Period. The Firm generally analyzes potential investments with at least a three-year time horizon. The Fund's holding period for securities will likely reflect this time horizon, and thus it is anticipated that portfolio turnover will be relatively low.

Shorting Strategy and Limited Hedging. The Fund may short securities on a fundamental basis, but generally will not take short positions to hedge exposure. The decision to run un-hedged rests on several of the Firm's beliefs: (i) the increase in the practice of shorting has resulted in a distortion in the discounting mechanism for companies with negative news as short strategies have become more geared toward gauging expectations than on fundamental research; (ii) many larger private investment funds incorporate net long provisions that lead to the use of low-quality shorts for the purpose of remaining within the confines of exposure limits; and (iii) the shorter time horizon necessary for hedge-related shorts or news-related shorts is difficult to reconcile with the Fund's longer term focus. The Firm's process for finding shorts is complementary to the process it uses to determine its long positions. In the process of pursuing the Funds' investment methodology, the Firm, from time to time, discovers investments that are not suitable for the Fund's long portfolio but may present good short investments. On the short side, the Fund's positions will generally be smaller, and may be traded more opportunistically.

Capitalization. The Firm does not have a capitalization bias. The General Partner believes that potential investments may appear at any capitalization level.

Illiquid Investments. The Firm may identify opportunities, from time to time, in private placements in public securities. This is not, however, a primary objective of the Fund. The Firm anticipates that illiquid securities will represent less than 10% of the Fund's portfolio.

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

Managed Accounts are subject to substantially similar methods of analysis as those described in Item 8.(A) above.

(B) Risks Associated with the Firm's Investment Strategies:

Risks Associated with Investing in Options and Derivatives:

The Firm may invest, from time to time, in options and derivative instruments, including buying and writing puts and calls on some of the securities held by client accounts in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the

option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.

If a put or call option purchased on behalf of a client account by the Firm were permitted to expire without being sold or exercised, the client account would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the Firm on behalf of the client account at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the Firm on behalf of the client account at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the client account of all or a substantial portion of its assets.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Short Selling: When deemed appropriate by the Firm, it will sell securities short on behalf of client accounts. Short selling involves the sale of a security that the client account does not own and must borrow in order to make delivery in the hope of purchasing the

same security at a later date at a lower price. In order to make delivery to its purchaser, the client account must borrow securities from a third party lender. The client account subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. The client account must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains its right to receive interest and dividends accruing to the securities.

Risks Associated with Leverage: Generally, the Firm does not use leverage. However, in the event that the Firm determines that leverage is appropriate in its investment program, the Firm may use borrowed funds and/or investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Firm purchases securities for a client account with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of an account. If the interest expense on borrowings were to exceed the net return on the investments made with borrowed funds, the Firm's use of leverage would result in a lower rate of return than if an account was not leveraged.

If the amount of borrowings outstanding for a client account at any one time is large in relation to such account's capital, fluctuations in the market value of the account will have disproportionately large effects in relation to the account's capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the net asset value of a client account to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies borrowed fails to cover their cost to a client account, the net asset value of the account will generally decline faster than would otherwise be the case.

Certain of the Firm's trading and investment activities may be subject to U.S. Federal Reserve Board (the "FRB") margin requirements, which are computed daily by a self-clearing broker-dealer. At present, the FRB's Regulation T permits a broker to lend no more than 50% of the purchase price of "margin stock" bought by a client. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the client is made. If the client does not deposit additional funds with the broker to meet the margin call within a reasonable time, the client's position may be closed out. In the event of a precipitous drop in the value of the assets managed by the Firm, the Firm might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, incurring substantial losses. With respect to the Firm's trading activities on behalf of a client account, the account, and not the Firm, will be subject to margin calls.

Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Clients should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

General Economic Conditions. The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates, currencies, commodities and equities. Unexpected volatility or illiquidity in the markets could impair the Fund's ability to carry out its business or cause it to incur losses.

New Issues. The Fund will not allocate gains or losses attributable to "new issues," as such term is defined in FINRA Rules 5130 and 5131, to investors who are deemed to be "Restricted Persons" under such rules. Such "Restricted Persons" may have an economic disadvantage as compared to those investors who do participate in "new issues" since some of the relevant assets will be used to fund the purchase of "new issues" as to which the "Restricted Persons" will derive no benefit.

Risks Associated with Non-Diversification: The Firm intends to hold diversified positions, however, the Firm is not subject to any formal policies regarding diversification. The Firm may sometimes concentrate holdings in industries, geographic regions

or companies which, in light of investment considerations, market risks and other factors, the Firm believes will provide the best opportunity for attractive risk-adjusted returns. The concentration of assets in a small number of issuers, in any one industry or a small number of industries, or in a single industry would subject clients to a greater degree of risk with respect to the failure of one or a few investments or with respect to economic variations in relation to such industry or industries.

Managed Account clients are subject to substantially similar risks as those described in Item 8.(B) above.

- (C) **Security-Specific Risks:** Please see the response to Item 8.(B), above.

Item 9. Disciplinary Information:

Neither the Firm nor the Firm's members, partners, officers or employees have been involved in any legal or regulatory action, or other disciplinary event that is material to an investor's or prospective investor's evaluation of the Firm's advisory business or management, as indicated by the "N/A" responses to the sub-items listed below.

- (A) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the Firm or a management person:
- (i) Was convicted of, or pled guilty or nolo contendere ("no contest") to: (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses. N/A
 - (ii) Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses. N/A
 - (iii) Was found to have been involved in a violation of an investment-related statute or regulation. N/A
 - (iv) Was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise

limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order. **N/A**

(B) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the Firm or a management person:

(i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**

(ii) Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:

a. Denying, suspending, or revoking the authorization of the Firm or a management person to act in an investment-related business. **N/A**

b. Barring or suspending the Firm's or a management person's association with an investment-related business. **N/A**

c. Otherwise significantly limiting the Firm's or a management person's investment-related activities. **N/A**

d. Imposing a civil money penalty of more than \$2,500 on the Firm or a management person. **N/A**

(C) A self-regulatory organization (SRO) proceeding in which the Firm or a management person:

(i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**

(ii) Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. **N/A**

Item 10. Other Financial Industry Activities and Affiliations:

- (A) Neither the Firm nor its management persons has any existing or pending affiliations with a broker-dealer or registered representative of a broker-dealer.
- (B) Neither the Firm nor any management person has any existing or pending financial industry affiliations, such as with, a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), Commodity Trading Advisor (CTA) or other investment adviser.
- (C) The Firm and/or any management person have a relationship or arrangement that is material to its advisory business or to its clients with the related persons as discussed below.
 - 1. Broker-dealer, municipal securities dealer, or government securities dealer or broker. **N/A**
 - 2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund). **N/A except as discussed at Item 4.(A) and 4.(B).**
 - 3. Other investment adviser or financial planner. **N/A**
 - 4. Futures commission merchant, commodity pool operator, or commodity trading advisor. **N/A**
 - 5. Banking or thrift institution. **N/A**
 - 6. Accountant or accounting the Firm. **N/A**
 - 7. Lawyer or law the Firm. **N/A**
 - 8. Insurance company or agency. **N/A**
 - 9. Pension consultant. **N/A**
 - 10. Real estate broker or dealer. **N/A**
 - 11. Sponsor or syndicator of limited partnerships. **N/A**
- (D) Firm does not recommend or select other investment advisers for its clients and receive compensation from those advisers that

creates a conflict of interest. Firm does not have other business relationships with such advisers that create a conflict of interest.

Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading, and Privacy Policy:

A copy of the code of ethics (“Code of Ethics”) is available upon request to the Fund’s investors/prospective investors or the Firm’s clients/prospective clients (collectively in Item 11, “Clients”)

- (A) The Code of Ethics is based upon the premise that all the Firm personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service. The Code of Ethics requires all personnel to (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of the Firm; (3) observe the Firm’s personal trading policies so as to avoid conflicts of interests between the Firm and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Firm’s chief compliance officer and that personnel who violate the Code of Ethics are subject to sanctions by the Firm, up to and including termination.

Participation or Interest in Client Transactions: The Firm recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and the Firm requires that all such transactions be carried out in a way that does not endanger the interest of any Client. At the same time, the Firm believes that if investment goals are similar for Clients and for employees of the Firm, it is logical and even desirable that there be common ownership of some securities. The Firm and its related persons may invest their personal funds in the Funds. Therefore, in order to address conflicts of interest, the Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors, partners, members and employees (hereafter in this section, “Employees”) for their personal accounts. In order to monitor compliance with its personal trading policy, the Firm has adopted a quarterly securities transaction reporting system for all of its Employees. For purposes of the policy, an Employee’s “personal account” generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Firm’s Client accounts which the Employee controls and in which the Employee

or a member of his/her household has a direct or indirect beneficial interest.

Associated persons of the Firm may recommend to Clients the purchase or sale of investment products in which it or a related person may have some financial interest, including but not limited to, the receipt of compensation by the Firm. Records will be maintained of all securities bought and sold by associated persons and related persons.

Additionally, the Code of Ethics sets forth the Firm's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that the Firm and each of its Employees has to each of its Clients. The Code of Ethics is circulated at least annually to all Employees, and each Employee, at least annually, must certify in writing that he or she has received and followed the Code of Ethics and any amendments thereto.

Other Activities of the Firm and its Affiliates: Neither the Firm, nor any affiliate or employee, is required to manage Client accounts as its sole and exclusive function. Each of them may engage in other business activities, including competing ventures and/or other unrelated employment. In addition to managing Client accounts, the Firm, and its respective affiliates or employees may provide investment advice to other parties and may manage other accounts in the future.

Trade Error Policy: The Firm has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, the Firm will use reasonable efforts to correct the error. If the error cannot be corrected, the Firm will use reasonable efforts to make an adjustment in a manner it considers reasonable under the circumstances in its sole discretion. The Firm will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.

Privacy Policy: The Firm has adopted a privacy policy that explains the manner in which the Firm collects, utilizes and maintains nonpublic personal information about Clients, as required under federal legislation.

Collection of Information and Disclosure of Nonpublic Personal Information: To provide Clients with superior service, the Firm

may collect several types of nonpublic personal information about Clients, including:

- Information from forms that Clients may fill out, such as subscription forms, questionnaires and other information provided by Clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications;
- Information Clients may give orally;
- Information about transactions within the Firm, including account balances, investments and withdrawals;
- Information about the amount Clients have invested, such as initial investment and any additions to and withdrawals from an investment in the Funds; and
- Information about any bank accounts Clients may use for transfers to or from Managed Accounts.

The Firm does not sell or rent Client information. The Firm uses this information to conduct business with its Clients: to develop or enhance its products and services; to understand the financial needs of its Clients so that the Firm can provide such Clients with quality products and superior service; and to protect and administer its Clients' records, accounts and funds. The Firm does not disclose nonpublic personal information about its Clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, the Firm may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Firm; this may include attorneys, accountants, auditors and other professionals. The Firm may also share information in connection with the servicing or processing of Fund transactions;
- To affiliated companies in order to provide Clients with ongoing personal advice and assistance with respect to the products and services Clients have purchased through the Firm and to introduce Clients to other products and services that may be of value to such Clients;

- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of a Client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Client.

Protection of Information: The Firm's policy is to require that all employees, financial professionals and companies providing services on its behalf keep Client information confidential.

The Firm maintains safeguards that comply with federal standards to protect Client information. The Firm restricts access to the personal and account information of Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Firm shares Client information must agree to follow appropriate standards of security and confidentiality. The Firm's privacy policy applies to both current and former Clients. The Firm may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

Changes to Privacy Policy: The Firm may make changes to its privacy policy in the future. The Firm will not make any change affecting an individual without first sending that individual a revised privacy policy describing the change.

- (B) If the Firm or a related person recommends to Clients, or buys or sells for Client accounts, securities in which the Firm or a related person has a material financial interest, describe the Firm's practice and discuss the conflicts of interest it presents. Describe generally how the Firm addresses conflicts that arise. *Please refer to Item 11.(A).*
- (C) If the Firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that the Firm or a related person recommends to Clients, describe the Firm's practice and discuss the conflicts of interest this presents and generally how the Firm addresses the conflicts that arise in connection with personal trading. *Please refer to Item 11.(A).*

- (D) If the Firm or a related person recommends securities to Clients, or buys or sells securities for Client accounts, at or about the same time that the Firm or a related person buys or sells the same securities for the Firm's own (or the related person's own) account, describe the Firm's practice and discuss the conflicts of interest it presents. Describe generally how the Firm addresses conflicts that arise. *Please refer to Item 11.(A).*

Item 12. Brokerage Practices:

The factors that the Firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation are described below:

- (A) **Factors Considered in Selecting or Recommending Broker-Dealers:** Securities transactions for investors are executed through brokers selected by the Firm in its sole discretion and without the consent of investors. In placing portfolio transactions, the Firm will seek to obtain best execution, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected and the efficiency of error resolution, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; special execution capabilities; clearance; settlement; reputation; on-line pricing; block trading and block positioning capabilities; willingness to execute related or unrelated difficult transactions in the future; order of call; on-line access to computerized data regarding clients' accounts; performance measurement data; the quality, comprehensiveness and frequency of available research and related services considered to be of value; the availability of stocks to borrow for short trades; and the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria. Any Managed Account clients shall bear brokerage costs as set forth in the relevant investment management agreement.

1. **"Soft Dollar" Policy:** The term "soft dollars" refers to the receipt by an investment manager of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment manager's clients. Soft dollars accumulated by the broker for the investment manager's use may then be used to pay for

various products and services, including research and brokerage services. The availability of soft dollars from certain brokers presents investment managers with significant conflicts of interest, and may give incentives for investment managers to disregard their obligations to clients (including, without limitation, their best execution obligations) when directing orders.

The Firm intends to use “soft dollars” generated by the Partnership’s securities transactions only to pay for research, products and services that fall within the Section 28(e) safe harbor. Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)”) provides a “safe harbor” to those investment managers who use soft dollars to obtain investment research and brokerage services. In order to qualify for the safe harbor, the research must provide assistance to the investment manager in its performance of its investment decision-making responsibilities. Brokerage services must relate to the execution, clearance and settlement of securities transactions in order to fall within the safe harbor provided by Section 28(e).

Products and services provided by broker-dealers with soft dollars may be utilized by the Firm and its affiliates in connection with the services they offer for other clients. Likewise, products and services provided by broker-dealers with soft dollars generated by other clients may be utilized by the Firm in performing its services for the Partnership. The Firm’s receipt of information, products or services paid for with soft dollars are in addition to, and not in lieu of, the Management Fee and Performance Allocation, and such fees are not reduced as a consequence of the receipt of such products or services purchased with soft dollars.

The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by clients.

- (a) When the Firm uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Firm receives a benefit because the Firm does not have to produce or pay for the research, products or services. *Please refer to Item 12.(A)(1).*

- (b) The Firm may have an incentive to select or recommend a broker-dealer based on the Firm's interest in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution. *Please refer to Item 12.(A)(1).*
- (c) The Firm may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up). *Please refer to Item 12.(A)(1).*
- (d) The Firm may use soft dollar benefits to service all clients or only those clients that paid for the benefits. The Firm may or may not seek to allocate soft dollar benefits to clients proportionately to the soft dollar credits the accounts generate. *Please refer to Item 12.(A)(1).*
- (e) The types of products and services the Firm or any related persons acquired with client brokerage commissions (or markups or markdowns) within the Firm's last fiscal year were: *Please refer to Item 12.(A)(1).*
- (f) The procedures the Firm used during its last fiscal year to direct transactions to a particular broker-dealer in return for soft dollar benefits the Firm received were: *Please refer to Item 12.(A)(1).*

2. Brokerage for Client Referrals:

- (a) The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by clients. To date the Firm has not paid any fee or commission to a broker or other person for client introduction. As a result, the Firm may have an incentive to select or recommend a broker based on the Firm's interest in receiving client referrals rather than on clients' interest in receiving most favorable execution. Because such referrals, if any, are likely to benefit

the Firm but will provide an insignificant (if any) benefit to clients, the Firm will have a conflict of interest with clients when allocating client brokerage business to a broker who has referred investors to a client and/or the Fund. To prevent client brokerage commissions from being used to pay referral fees, the Firm will not allocate client brokerage business to a referring broker unless the Firm determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to clients.

- (b) The procedures used during the last fiscal year to direct client transactions to a particular broker-dealer in return to client referrals were: *Please refer to Item 12.(A)(1).*

3. **Directed Brokerage:**

- (a) The Firm does not recommend, request, or require a client to direct the Firm to execute transactions through a specified broker-dealer.
- (b) The Firm does not permit a client to direct the Firm to execute transactions through a specified broker-dealer except, for a Managed Account client, if agreed to in the relevant investment management agreement.

- (B) **Aggregation of Orders:** Transactions implemented by the Firm for accounts may be effected independently or on an aggregated basis. The Firm anticipates that frequently it will decide to purchase or sell the same securities for several clients at approximately the same time. The Firm will aggregate orders when it believes aggregation may prove advantageous to clients. When the Firm aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and execution cost and

will be allocated among the Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When the Firm aggregates client orders for the purchase or sale of securities, including securities in which its associated person(s) may invest, the Firm will do so in a fair and equitable manner. It should be noted that the Firm does not receive any additional compensation or remuneration as a result of aggregation.

Allocation of Trades: The Firm may at times determine that certain securities will be suitable for acquisition by clients and by other accounts managed by the Firm, possibly including the Firm's own accounts or accounts of an affiliate. If that occurs, and the Firm is not able to acquire the desired aggregate amount of such securities on terms and conditions which the Firm deems advisable, the Firm will endeavor in good faith to allocate the limited amount of such securities acquired among the various accounts for which the Firm considers them to be suitable. The Firm may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including but not limited to allocations based on relative account sizes, the degree of risk involved in the securities acquired, and the extent to which a position in such securities is consistent with the investment policies and strategies of the various accounts involved.

Item 13. Review of Accounts:

- (A) All Fund and Managed Accounts are reviewed on a weekly basis by the chief compliance officer of the Firm, to assure conformity with client objectives and guidelines. In addition, all accounts are reviewed in light of emerging trends and developments as well as market volatility. Managed Account clients are responsible for keeping the Firm informed as to any changes in their personal financial condition. The Firm cannot make any material changes to a client's portfolio if it is not informed of the client's particular developments.
- (B) The calendar is the main triggering factor of a review of an account, although more frequent reviews may be also be triggered by changes in a client's circumstances, client request, or unusual market activity. Clients may be contacted periodically by the Firm to discuss the management and performance of their account.
- (C) Reports showing performance are sent to clients monthly by the Firm and by the qualified custodian. In addition, realized gains/losses, interest and dividends earned are reported to clients

annually. Each investor in the Fund also will receive the following: (i) annual financial statements of the Fund, audited by an independent certified public accounting the Firm; (ii) in the discretion of the Firm or an affiliate of the Firm, a periodic letter and/or report discussing the results of the accounts; (iii) copies of such investor's Schedule K-1 to the Fund's tax returns; and (iv) other reports as determined by the Firm or an affiliate of the Firm in its sole discretion. Additionally, within 120 days of the calendar year-end of the Fund, investors shall receive GAAP-compliant audited financial statements.

Item 14. Client Referrals and Other Compensation:

- (A) The Firm does not receive, from any non-client, any economic benefit associated with advising clients.
- (A) The Firm may use independent third party solicitors to refer clients and/or investors to the Fund and pay a portion of its advisory fees to such solicitors, in accordance with the Investment Advisers Act of 1940, as amended. The Firm may engage underwriters, brokers, dealers or finders to assist in the offering of interests in the Fund. Except for commissions on brokerage transactions (which will be paid by clients), the Firm will pay (and will not charge clients) fees and commissions that may be payable to any such brokers or finders for assisting in the offering or sale of Interests. The Firm intends to comply with SEC Rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives. Additionally, if the Firm hires a solicitor(s), they will be properly licensed.

Item 15. Custody:

The Firm maintains client funds and securities at a qualified custodian. As stated above in Item 13, Review of Accounts, the Firm's qualified custodian will send monthly account statements directly to clients which clients should carefully review. Clients are urged to compare statements that are received from the qualified custodian to statements received directly from the Firm. The Fund's auditor sends annual audited financial statements, prepared in accordance with GAAP, to investors in the Fund within 120 days after the Fund's calendar year end.

Item 16. Investment Discretion:

The Firm has discretionary investment authority over client assets managed by the Firm.

Item 17. Voting Client Securities – Proxy Policy:

- (A) The Firm monitors corporate actions of those securities it has purchased on behalf of its clients. Receipt of proxy materials is logged into a proxy control sheet. Proxy votes will generally be submitted electronically but may be submitted by mail. A record of the proxy votes cast will be made and retained by the Firm. Clients can obtain information on how the proxies were voted and a detailed description of the Firm's policies and procedures regarding proxy voting by requesting such information from the chief compliance officer.

The Firm understands and appreciates the importance of proxy voting. To the extent that the Firm has discretion to vote the proxies of its advisory clients, the Firm will vote any such proxies in the best interests of clients and the procedures outlined below. Clients do retain the right to direct a vote at their discretion on any and all solicitations.

In evaluating how to vote a proxy, the Firm will first determine whether there is a conflict of interest related to the proxy in question between the Firm and its clients. This examination will include (but will not be limited to) an evaluation of whether the Firm (or any affiliate of the Firm) has any relationship with the company (or an affiliate of the company) to which the proxy relates outside an investment in such company by a client of the Firm. If a conflict is identified and deemed "material" by the Firm, or a Proxy Voting Committee organized by the Firm, the Firm will determine whether voting in accordance with these proxy voting guidelines is in the best interests of affected clients (which may include utilizing an independent third party to vote such proxies). With respect to material conflicts, the Firm will determine whether it is appropriate to disclose the conflict to affected clients and give clients the opportunity to vote the proxies in question themselves, if applicable.

- (B) Firm has proxy voting authority for its clients.

Item 18. Financial Information:

- (A) The Firm does not solicit prepayment of more than \$1,200 in fees per client six months or more in advance.
- (B) Because the Firm has discretionary authority over and/or custody of client funds or securities, the Firm has disclosed, as follows, any

financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients: **None.**

- (C) The Firm has not been the subject of a bankruptcy petition during the past ten years.

Item 19. Requirements for State-Registered Investment Advisers: N/A