

**INVESTMENT ADVISER BROCHURE**

**RIDGEPOINT ASSET MANAGEMENT LLC**

**Ridgepoint Asset Management LLC  
1 Maritime Plaza  
Suite 1940  
San Francisco, CA 94111  
<http://www.ridgepointasset.com>**

**March 30, 2012**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Ridgepoint Asset Management LLC (“Ridgepoint Asset Management”). If you have any questions about the contents of this Brochure, please contact us at (415) 391-0700. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

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

Additional information regarding Ridgepoint Asset Management is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

Ridgepoint Asset Management's most recent update to Part 2 of Form ADV was made in January 2012. Neither Ridgepoint Asset Management's business activities nor its Brochure have changed materially since such update.

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Material Changes .....</b>	<b>ii</b>
<b>Advisory Business .....</b>	<b>4</b>
<b>Fees and Compensation.....</b>	<b>4</b>
<b>Performance-Based Fees .....</b>	<b>6</b>
<b>Types of Clients .....</b>	<b>6</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>6</b>
<b>Disciplinary Information.....</b>	<b>14</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>14</b>
<b>Brokerage Practices .....</b>	<b>15</b>
<b>Review of Accounts .....</b>	<b>16</b>
<b>Client Referrals and Other Compensation.....</b>	<b>16</b>
<b>Custody .....</b>	<b>16</b>
<b>Investment Discretion .....</b>	<b>16</b>
<b>Voting Client Securities .....</b>	<b>16</b>
<b>Financial Information.....</b>	<b>17</b>
<b>Supplemental Information About Certain Principals of Ridgepoint Asset Management .....</b>	<b>17</b>

## ADVISORY BUSINESS

Ridgepoint Asset Management LLC, a Delaware limited liability company and registered investment adviser, commenced operations in May 2011. Ridgepoint Asset Management LLC is a private investment management firm that, along with several other affiliated entities (collectively, “**Ridgepoint**”), provides investment advisory services to the Ridgepoint Funds, as described below.

Ridgepoint serves as the investment manager, on a discretionary basis, for Ridgepoint Balance Fund LP, Ridgepoint Balance Offshore Fund Ltd., Ridgepoint Balance Master Fund Ltd., Ridgepoint Defensive Fund LP, Ridgepoint Defensive Offshore Fund Ltd., Ridgepoint Defensive Master Fund Ltd. and Ridgepoint Defensive ERISA Fund LP (collectively, the “**Ridgepoint Funds**”). The Ridgepoint Funds are private funds that are offered invest or trade in a wide variety of securities and other instruments, principally through public market transactions.

Ridgepoint’s advisory services for the Ridgepoint Funds are detailed in the applicable private placement memoranda and applicable limited partnership agreements or articles of association (collectively, “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Limited partners or shareholders, as applicable, in the Ridgepoint Funds (collectively, “**Investors**”) participate in the overall investment program for each applicable fund.

Ridgepoint also provides discretionary and non-discretionary advice to certain family offices, high net worth individuals and other clients, and in connection therewith provides investment selection, allocation and monitoring services to such clients.

Ridgepoint GP I LLC, the general partner of the domestic Ridgepoint Funds (the “**General Partner**”), is registered under the Advisers Act pursuant to Ridgepoint Asset Management’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operates as a single advisory business together with Ridgepoint Asset Management.

As of March 30, 2012, Ridgepoint managed \$35 million in client assets on a discretionary basis, and an additional \$65 million on a non-discretionary basis. Ridgepoint is controlled by Messrs. Zachary Stenger and Kevin Swift.

## FEES AND COMPENSATION

In general, Ridgepoint receives from the Ridgepoint Funds a management fee and an incentive allocation in connection with its advisory services, as disclosed in the Governing Documents of each Ridgepoint Fund. It is expected that any future Ridgepoint Funds will have a similar fee structure.

### Management Fees

Ridgepoint receives from each Ridgepoint Fund a quarterly management fee (“**Management Fee**”) as of the first calendar day of each quarter. The Management Fee

generally is equal to 0.375% (1.5% on an annual basis) of the Net Asset Value of such Ridgepoint Fund, based on the beginning balance of such Ridgepoint Fund as of such day.

### **Incentive Allocation**

At the end of each fiscal year of a Ridgepoint Fund or upon an Investor's redemption of all or any portion of its investment, Ridgepoint receives an incentive allocation equal to 17.5 to 20% of the net profits applicable to an Investor's shares or capital account, as applicable.

### **Other Information**

Ridgepoint may exempt certain investors in Ridgepoint Funds from payment of all or a portion of management fees and/or incentive allocations. Any such exemption from fees and/or incentive allocations may be made by a direct exemption or a rebate by Ridgepoint.

The Ridgepoint Funds invest on a continuous basis. Accordingly, investment advisory and other fees earned with respect to the Ridgepoint Funds are expected to be paid over the term of such Ridgepoint Funds. Moreover, interests in a Ridgepoint Fund are not freely transferable and investors in a Ridgepoint Fund are subject to restrictions on the ability to withdraw or redeem such interests.

The principals and portfolio managers of Ridgepoint (the "**Principals**") or other employees of Ridgepoint may receive a portion of the management fee, incentive allocation or other compensation received by Ridgepoint.

In addition to the management fee and incentive allocation payable to Ridgepoint, the Ridgepoint Funds bear certain expenses. As set forth in the applicable Governing Documents, each Ridgepoint Fund typically bears all of its own expenses, including accounting, auditing, tax and tax preparation expenses; legal fees and expenses; professional fees and expenses (including, without limitation, expenses of consultants and experts); investment-related expenses, including commissions, brokerage fees, margin and interest expenses, and custody expenses; travel expenses; printing and postage expenses; third-party valuation service expenses; blue sky and corporate filing fees and expenses; insurance expenses; initial offering and organizational expenses; ongoing offering expenses and payments for custody of a Ridgepoint Fund's assets and for the performance of administrative services; fees of any Investor representative retained on behalf of a Ridgepoint Fund by Ridgepoint; and other Ridgepoint Fund expenses as approved by Ridgepoint. Permissible expenses set forth in a Ridgepoint Fund's Governing Documents may vary, such as where the expenses that may be borne by a particular Ridgepoint Fund are limited by applicable law or regulation.

Under a standard non-discretionary advisory agreement (each, an "**Advisory Agreement**") executed between Ridgepoint and certain high net worth and family office clients, Ridgepoint is entitled to negotiated levels of fees and expenses from such clients.

## **PERFORMANCE-BASED FEES**

As described under “Fees and Compensation,” Ridgepoint receives an incentive allocation on certain realized and unrealized net profits in the Ridgepoint Funds, although it may waive such incentive allocation with respect to certain affiliated partners as described under “Fees and Compensation.”

## **TYPES OF CLIENTS**

Ridgepoint provides investment advice to the Ridgepoint Funds. The Investors participating in the Ridgepoint Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, Principals or other employees of Ridgepoint.

The Ridgepoint Funds generally have a minimum investment amount of \$1 million for third-party investors, and Ridgepoint Fund interests are offered and sold solely to qualified purchasers (or qualified knowledgeable Ridgepoint personnel). Such minimum investment amount may be waived by Ridgepoint, but, in the case of Ridgepoint Funds organized under the laws of the Cayman Islands, generally will not be less than \$100,000 (or other amounts as specified by Cayman Islands law).

Ridgepoint also provides discretionary and non-discretionary investment advice to high net worth and family office clients under the Advisory Agreements, which may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities. As the terms of such Advisory Agreements are negotiated directly between Ridgepoint and such clients, such advisory relationships generally are not subject to minimum investment amounts.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

As specified in their respective Governing Documents, the investment objective of each Ridgepoint Fund is to seek to achieve long-term capital appreciation by taking long and short positions primarily in liquid, U.S.-focused equity and equity-linked securities. Ridgepoint will base its investment decisions on bottom-up, fundamental analysis of individual securities, and will seek to invest on behalf of the Ridgepoint Funds with low correlation to the broad equities markets and to diversify their respective portfolios by industry and sector focus. There can be no assurance that the Ridgepoint Funds will achieve their investment objectives or that their respective portfolios will, in fact, be diversified.

Under the Advisory Agreements, Ridgepoint provides discretionary and non-discretionary investment advice in accordance with the client’s expressed investment goals, risk profile and desired liquidity. There can be no assurance that investments selected by Ridgepoint will achieve such investment goals, risk profiles or any particular liquidity.

### **Investment and Operating Strategy**

Ridgepoint intends to drive the creation of the Ridgepoint Funds' portfolios with a bottom-up, fundamental analysis of short ideas, adding long positions both as a hedge and a potential source of alpha: individual longs and hedges will be employed to help control the volatility of the short book and to increase the likelihood of a positive return over an extended period. Similar strategies are employed by Ridgepoint in selecting investments under the Advisory Agreements.

## **Risks of Investment**

*Certain risks are described below as applicable to Ridgepoint's investments on behalf of the Ridgepoint Funds. As Ridgepoint employs similar strategies in selecting investments for non-Ridgepoint Fund clients under the Advisory Agreements, such risks should also be understood to apply to investments selected by Ridgepoint on behalf of such clients, to the extent applicable.*

Investment and Trading Risks in General. Although Ridgepoint intends to follow the equity-focused strategy described herein and in the Ridgepoint Funds' respective Governing Documents, the Partnership Agreements impose no hard limitations on Ridgepoint as to the markets, strategies or investments in which the Ridgepoint Funds' assets may be invested. No guarantee or representation is made that the investment programs of the Ridgepoint Funds will be successful and investment results may vary substantially over time.

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

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

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

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

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

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

Small- to Medium-Cap Stocks. At any given time, Ridgepoint may have significant investments in smaller-to-medium sized companies with market capitalizations of less than \$1 billion. These securities often involve greater risks than the securities of larger, better-known companies. For example, prices of small-capitalization and even medium-capitalization securities generally are more volatile than prices of large-capitalization securities, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors, such as a Ridgepoint Fund) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be, or become, illiquid.



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

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

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

Other Instruments. The Ridgepoint Funds may acquire investment assets that have not yet been identified, are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of such Ridgepoint Funds and legally permissible. Special risks may apply to instruments that are invested in by the Ridgepoint Funds in the future that cannot be determined at this time or until such instruments are developed or invested in by a Ridgepoint Fund. Accordingly, prospective Investors will not have an opportunity to review the terms upon which any assets will be acquired prior to investing in a Ridgepoint Fund. The likelihood that Investors will realize income or gain depends on the skill and expertise of Ridgepoint.

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

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

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

Use of Leverage; Borrowing; Interest Costs and Rates. The investment strategy of Ridgepoint involves the use of leverage, *i.e.*, borrowings to increase investment positions and exposure. Although the use of leverage increases returns to Investors if a Ridgepoint Fund earns a greater return on the investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to investors if such Ridgepoint Fund fails to earn as much on such investments as it pays for such funds. Although Ridgepoint intends to keep the Ridgepoint Funds’ use of leverage within the general guidelines specified in the applicable private placement memoranda of the Ridgepoint Funds, the applicable limited partnership agreements impose no hard limitation on the form or amount of the Ridgepoint Funds’ borrowings; accordingly, the amount of a Ridgepoint Fund’s borrowings outstanding at any time may be large in comparison to its capital. Risk of loss and the magnitude of possible gains are both increased by the use of leverage. Fluctuations in the market value of a Ridgepoint Fund’s portfolio will have a greater effect relative to the capital than would be the case in the absence of leverage. Adverse market fluctuations in the case of margin borrowings may require the untimely liquidation of one or more investment positions. Interest costs of borrowings will be an expense of the Ridgepoint Funds and therefore both borrowing levels and fluctuations in interest rates may affect the operating results of the Ridgepoint Funds.

## **Conflicts of Interest**

Other Accounts of Ridgepoint and Its Principals; Ridgepoint Time. Ridgepoint and its Principals manage multiple funds (including the Ridgepoint Funds) and accounts (including

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

Other present and future activities of Ridgepoint and/or its Principals may give rise to additional conflicts of interest.

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

Ridgepoint will allocate investment opportunities among the Ridgepoint Funds and such Parallel Accounts to the extent that Ridgepoint determines in good faith that such investment opportunities are appropriate for such Parallel Account, with such allocations generally to be made on a *pro rata* basis based on available capital of the Ridgepoint Funds, as applicable, and such Parallel Accounts. In determining whether and to what extent such investment opportunities are appropriate for the Ridgepoint Funds and such Parallel Accounts, Ridgepoint may consider factors such as: (a) the overall liquidity profile of the Ridgepoint Funds' and such Parallel Accounts' respective investment portfolios; (b) the potential for redemptions from the Ridgepoint Funds or such Parallel Accounts; (c) the transferability of such investment opportunities; (d) the minimum denominations of such investment opportunities; (e) the availability of price quotes with respect to such investment opportunities; (f) the structural and operational differences between (and any applicable investment limitations, including without limitation risk and exposure limits and diversification considerations, of) the Ridgepoint Funds and such Parallel Accounts; (g) the eligibility of the Ridgepoint Funds and such Parallel Accounts to participate in such investment opportunity under applicable laws and regulations; and (h) any other applicable tax, legal, regulatory, compliance, operational or administrative issues.

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

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

There may be instances, such as when orders are placed with more than one broker, that make it difficult or inadvisable (as determined by Ridgepoint in its discretion) for Ridgepoint to average the prices paid. In these instances, Ridgepoint will seek to allocate filled orders in a fair and equitable manner. Similarly, if an order on behalf of more than one fund or account (such as the Ridgepoint Funds and one or more Parallel Accounts) cannot be fully executed under prevailing market conditions, Ridgepoint may allocate the securities traded among the different accounts on any basis that they consider fair and equitable. In these circumstances, each such fund or account may be required to pay, in connection with the acquisition of securities by more than one such fund or account, the average price per unit acquired, which may be higher than if such fund or account had acted alone, and it may otherwise not be able to execute an investment decision as effectively as it could have if such fund or account had acted alone. There may be corresponding potential disadvantages when more than one fund or account simultaneously seeks to dispose of commonly held securities and other investment positions.

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

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

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

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

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

## **DISCIPLINARY INFORMATION**

Ridgepoint and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Ridgepoint Asset Management is affiliated with the General Partner to the Ridgepoint Funds.

se entities are not required to be registered as investment advisers under the Advisers Act but operate in compliance with the Ridgepoint Code of Ethics, as described below, and certain related requirements and undertakings as prescribed by the SEC.

The General Partner is registered with the SEC under the Advisers Act pursuant to Ridgepoint Asset Management's registration in accordance with SEC guidance. The General Partner and Ridgepoint Asset Management operate as a single advisory business together with and serve as managers or general partners of the Ridgepoint Funds and other accounts and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Ridgepoint has adopted the Ridgepoint Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Ridgepoint principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Ridgepoint personnel to report their personal securities transactions, prohibits or requires pre-clearance for Ridgepoint personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in which the Ridgepoint Funds may trade, and prohibits Ridgepoint personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Ridgepoint Chief Compliance Officer. A copy of the Code will be provided to any investor or prospective investor upon request to Kevin Swift, the Ridgepoint Chief Compliance Officer, at (415) 391-0700. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

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

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

Principals and employees of Ridgepoint may directly or indirectly own an interest in the Ridgepoint Funds.

Ridgepoint and its Principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Ridgepoint Funds, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Ridgepoint Funds, even though their investment objectives may be the same or similar.

### **BROKERAGE PRACTICES**

Ridgepoint is authorized to determine the broker or dealer to be used for each securities transaction for the Ridgepoint Funds. In selecting brokers or dealers to execute transactions, Ridgepoint needs not solicit competitive bids and does not have an obligation to seek the lowest available commission or other transaction cost. It may not be Ridgepoint's practice to negotiate "execution only" commission rates; thus, Ridgepoint may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

In selecting brokers, dealers and counterparties, Ridgepoint may consider such factors as price, execution capabilities, reputation, infrastructure, reliability, financial resources, quality of research products or services and other value-added services. Consistent with Ridgepoint's duty to seek to obtain best execution on behalf of the Ridgepoint Funds, brokerage commissions on client transactions (including transactions entered into on behalf of the Ridgepoint Funds) may be directed to brokers in recognition of research furnished by them. Section 28(e) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), permits the use of commissions or "soft dollars" to obtain research and brokerage services. Ridgepoint does not intend to enter into commission arrangements that are outside the parameters of Section 28(e).

As a general matter, research services provided by such brokers may be used to service all of Ridgepoint's clients. However, each and every research service may not be used for the benefit of each and every account managed by Ridgepoint, and brokerage commissions paid by one account may apply towards payment for research services that may not be used in the service of that account. Research services may be shared between Ridgepoint and its affiliates. There is no agreement or formula for the allocation of brokerage business on the basis of research services. Ridgepoint may, in its discretion, cause its client accounts to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where Ridgepoint has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, Ridgepoint would not be required to place or attempt to place a specified value on the brokerage or research services provided by such broker. Ridgepoint

periodically will determine which brokers have provided research that has been helpful in the management of client accounts. To the extent consistent with Ridgepoint's goal to seek to obtain best execution for the Ridgepoint Funds, Ridgepoint may seek to place a portion of the trades that it directs with the brokers that are identified through this process.

Ridgepoint generally will manage a number of funds and trading accounts. For information regarding Ridgepoint's handling of brokerage-related conflicts associated with multiple funds and accounts, see "Conflicts of Interest."

### **REVIEW OF ACCOUNTS**

The Ridgepoint Chief Compliance Officer periodically checks to confirm that each Ridgepoint Fund is maintained in accordance with its stated objectives.

The Ridgepoint Funds will make available to Investors: (i) periodic reports, no less frequently than monthly, regarding a Ridgepoint Fund's Net Asset Value; and (ii) within 120 days after the end of each fiscal year, an annual audited financial report of the Ridgepoint Funds.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

From time to time, Ridgepoint may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an Investor in a Ridgepoint Fund. Any fees and expenses payable to any such placement agents will be borne by Ridgepoint indirectly through an offset against the management fee.

### **CUSTODY**

Ridgepoint maintains custody of the Ridgepoint Funds' assets held in each Ridgepoint Fund's name with the following qualified custodian: BNP Paribas Prime Brokerage, Inc., 1 Front Street 23rd Floor, San Francisco, CA 94111.

### **INVESTMENT DISCRETION**

Ridgepoint has discretionary authority to manage investments on behalf of the Ridgepoint Funds. As a general policy, Ridgepoint does not allow clients to place limitations on this authority. Pursuant to the terms of the applicable Governing Document, however, Ridgepoint may enter into "side letter" arrangements with certain Investors whereby the terms applicable to such Investor's investment in a Ridgepoint Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Ridgepoint assumes this discretionary authority pursuant to the terms of the applicable Governing Document and powers of attorney executed by the Investors in certain Ridgepoint Funds. For additional information about risks related to Ridgepoint's discretionary authority, please see "Performance-Based Fees and Side-by-Side Management."

### **VOTING CLIENT SECURITIES**

Ridgepoint has adopted the Ridgepoint Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for any Ridgepoint Fund's



portfolio investments. The Proxy Policy seeks to ensure that Ridgepoint votes proxies (or similar instruments) in the best interest of the Ridgepoint Funds, including where there may be material conflicts of interest in voting proxies. Ridgepoint generally believes its interests are aligned with those of Ridgepoint Fund investors through the Principals' beneficial ownership interests in the Ridgepoint Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Ridgepoint may address the conflict using several alternatives set forth in the Proxy Policy. If you would like a copy of Ridgepoint's complete Proxy Policy or information regarding how Ridgepoint voted particular proxies, please contact Kevin Swift, the Ridgepoint Chief Compliance Officer, at (415) 391-0700 and it will be provided to you at no charge.

### **FINANCIAL INFORMATION**

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

### **SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF RIDGEPOINT ASSET MANAGEMENT**

#### **Zachary Stenger**

##### *Educational Background and Business Experience*

Zachary Stenger co-founded Miramar Asset Management LLC ("**Miramar**") in 1997 with Ms. Dana Galante, where he served as president and portfolio manager from 2000 to 2011. From 1995 to 1997, Mr. Stenger was an equity analyst at BKP Partners ("**BKP**"), covering a broad range of sectors on the long and short side, and working closely with the BKP Chief Operating Officer on legal and reporting functions for the firm. Mr. Stenger was previously a research analyst at JDN Partners. He received a B.S.M. in Finance from Tulane University in 1995.

##### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Stenger.

##### *Other Business Activities*

Mr. Stenger is not engaged in any investment-related business outside of his roles with Ridgepoint and its affiliated investment advisers.

##### *Additional Compensation*

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

### *Supervision*

As co-founder and co-managing partner of Ridgepoint, Mr. Stenger is not subject to the direct supervision of any individual.

## **Kevin Swift**

### *Educational Background and Business Experience*

Kevin Swift brings over ten years of short selling experience to the Investment Manager, having spent that period at Miramar, where he was a Portfolio Manager since 2004. From 2001-2004, Mr. Swift served as an analyst at Miramar covering the technology and telecom sectors and performing investor relations, marketing and risk management functions. Mr. Swift started his career as an investment banking analyst at Merrill Lynch in 1999 in the technology M&A group. From the end of 1999 through 2000, Mr. Swift was an investment banking analyst at Thomas Weisel Partners (“TWP”), serving in TWP’s corporate finance group and focusing on the communications equipment and telecom service provider sectors. Mr. Swift graduated magna cum laude from Georgetown University in 1999 with a BSBA in finance and a sociology minor.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Swift.

### *Other Business Activities*

Mr. Swift is not engaged in any investment-related business outside of his roles with Ridgepoint and its affiliated investment advisers.

### *Additional Compensation*

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

### *Supervision*

As co-founder and co-managing partner of Ridgepoint, Mr. Swift is not subject to the direct supervision of any individual.