

Eastern Advisors Capital Group, LLC

101 Park Avenue, 33rd Floor
New York, NY 10178
212-984-2328

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This brochure provides information about the qualifications and business practices of Eastern Advisors Capital Group, LLC. The information contained herein has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. 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.

If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Giles Eyre, at 212-984-2339 or giles@easternadvisors.com. Additional information can also be found on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

There are no material changes to our advisory business at this time.

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ADVISORY BUSINESS

Eastern Advisors Capital Group, LLC (“EACG”) is an investment management company focusing primarily on U.S. and Asian equities in both the public and private venture capital markets.

Founded in 2003, EACG currently manages on a discretionary basis client assets of US\$ 244.7 million (as of 12/31/2011).

Scott V. Booth is the company’s founder and through SV Booth Investments I, LLC, the company’s largest member, retains a controlling interest.

EACG provides investment advisory services primarily to private fund clients, which in turn are offered exclusively to sophisticated investors. The company’s subsidiary, Aleph One Capital, LLC (“Aleph”), offers investment advisory services to sophisticated investors on a discretionary basis through separately managed accounts which utilize a pre-formulated strategy and are not custom tailored to different individual objectives.

FEES AND COMPENSATION

EACG and its subsidiaries generally charge management fees up to 2% of client assets. Management fees are charged either monthly or quarterly and are generally paid in advance by deducting directly from client accounts. Clients are generally not eligible for partial refunds in the case of early withdrawals or redemptions, but specific details will be set forth in each respective client’s limited partnership agreement, limited liability company operating agreement, investment management agreement, and/or private placement memoranda.

All clients will incur third-party brokerage commission and other transaction costs, as explained in further detail in the **Brokerage Practices** section below. Additional third-party costs related mainly to custody, audit, administration, legal advice, tax advice and preparation, banking services, and research and consulting usually also apply. In some cases, clients may also be billed to reimburse EACG for certain transaction-related travel expenses. In all cases, details concerning applicable fees and expenses are set forth in each respective client’s limited partnership agreement, limited liability company operating agreement, investment management agreement, and/or private placement memoranda.

EACG’s clients are also charged performance-based fees of up to 30% of net profits. Performance-based fees are drawn from clients’ accounts either in the form of an incentive fee or a profit allocation (sometimes referred to as “carry” or “carried interest”), and are generally paid either to an EACG affiliate or subsidiary. Performance-based fees are subject to a loss carryforward, “high water mark” or similar mechanism, whereby losses in any given period are recorded and carried forward and performance-based fees are collected only once subsequent profits exceed such losses carried forward, and then only on the excess profits rather than on all profits.

SIDE-BY-SIDE MANAGEMENT AND ALLOCATION POLICY

Because EACG has multiple clients, at times it may need to allocate investment opportunities of limited availability across its clients’ accounts. In such situations, some accounts may offer higher management

and performance-based fee potential than others. EACG has an incentive to favor accounts for which it receives higher performance-based fees since it may receive a greater profit if the investment generates a positive return.

To ensure equitable treatment of all clients irrespective of such fee considerations, the company has adopted an allocation policy that sets out the criteria for determining allocations, the most important of which are investment objective and strategy, existing portfolio composition and available liquidity. For a copy of the company's allocation policy, please contact the Chief Compliance Officer at the number or address listed on the cover of this brochure.

TYPES OF CLIENTS

As discussed in the **Advisory Business** section above, EACG provides investment advisory services primarily to private fund clients, which in turn are offered exclusively to sophisticated investors. The company's subsidiary, Aleph, offers investment advisory services to sophisticated investors on a discretionary basis through separately managed accounts. Although EACG generally seeks minimum account commitments from its clients of US\$ 1 million, it can waive such minimums in its discretion.

INVESTMENT STRATEGIES AND RISK OF LOSS

EACG broadly has three different types of clients—hedge funds, venture capital funds and separately managed accounts—and employs different strategies for each. Each strategy employed has its own set of risks, described in more detail below, but in all cases, EACG's strategies involve a risk of loss that clients should understand and be prepared to bear.

Private Investment Funds – Hedge Funds

EACG's strategy in the case of its hedge funds is to primarily target publically traded equity and equity-type securities that trade in Asian and Japanese markets and to utilize macroeconomic tools in an attempt to hedge against and exploit certain emerging trends. Generally the funds' portfolios will include both long and short positions. Specific investment ideas will be generated from a wide variety of sources including industry contacts, trade and financial publications, trade shows, investment conferences and stock screens. Company analyses will begin with review of public filings and relevant research analyst reports. Particular attention will be paid to a company's balance sheet, cash per share, gross and net working capital per share, and book value per share. Stock price valuation will be assessed from a variety of standpoints in addition to the criteria noted above, including sales and earnings history and outlook, historical and expected cash flows, comparison with competing and related companies and general investor sentiment. Once an investment opportunity is determined to be attractive as a stand-alone investment or as part of an equity pair, the portfolio manager will evaluate the effect of adding that investment to the fund's portfolio. In doing so, the portfolio manager will seek to minimize the market-related portfolio volatility as well as the risk of a capital loss.

This strategy involves a number of material risks, including, but not limited to: the use of leverage by buying securities on margin as well as entering into short sales, which can magnify both investment gains and losses; the use of derivative securities, such as options and swap contracts, which often have highly volatile prices and can increase the short-term liquidity demand on the funds; the exposure to

non-U.S. market and country risks, including those of developing countries; the exposure to foreign currencies and their translation effects on the value of assets held; limitations on withdrawals of capital by investors from the funds, including the indefinite “sidepocketing” of certain illiquid assets; and the ability of EACG and its investment professionals to correctly identify and assess good investment opportunities, manage market volatility and meet the liquidity requirements of the funds on a consistent basis.

A more complete discussion of the investment strategy and risks involved is contained in the relevant private placement memorandum and should be read by prospective investors carefully.

Private Investment Funds – Venture Capital Funds

EACG’s strategy in the case of its venture capital fund clients is to target fast growing e-commerce, services and software businesses of a certain size in terms of run-rate revenues or bookings, make equity investments on flexible terms and then leverage its broad network of operational executives and direct investing professionals to help make high level introductions for these businesses that help accelerate the sales process and create value for management teams and their existing shareholders as well as for EACG clients.

This strategy involves a number of material risks, including, but not limited to: the lack of a liquid public market for investments and therefore a restricted ability to sell positions; the severe restriction on the ability of investors in the funds to withdraw or redeem their capital; and the ability of EACG and its investment professionals to correctly identify and assess good investment opportunities, particularly given the often early stage of development of the businesses invested in, their frequent need for additional capital and the often rapidly shifting dynamics and intense competition that characterize the industries in which they operate.

A more complete discussion of the investment strategy and risks involved is contained in the relevant private placement memorandum and should be read by prospective investors carefully.

Separately Managed Accounts – Aleph

Aleph is a subsidiary of EACG and manages separate institutional and individual client accounts on a discretionary basis. Aleph focuses on publically traded equities and equity-type securities primarily traded in the U.S. and Asian markets. Aleph’s strategy is to seek investment opportunities created by changing competitive dynamics and identifying those companies likely to benefit through resulting market share expansion, enhanced pricing power and increased profitability, and those likely to suffer through resulting market share loss, pricing pressure and margin compression. To identify shifts in industry or sector competitive dynamics, the investment team employs proprietary models accessing certain public databases, monitors a wide variety of sources including industry contacts, trade and financial publications, trade shows, and published market share studies, as well as investment conferences and brokerage-generated research.

This strategy involves a number of material risks, including, but not limited to: the use of leverage by buying securities on margin as well as entering into short sales, both of which can magnify both investment gains and losses; the use of options, which often have highly volatile prices; the exposure to non-U.S. market and country risks, including occasionally those of developing countries; the exposure to foreign currencies and their translation effects on the value of assets held; and the ability of the Aleph

investment team to correctly identify and assess good investment opportunities and manage market volatility.

DISCIPLINARY INFORMATION

EACG does not believe that either EACG, Aleph or any of the members, partners, officers or employees of EACG or Aleph 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 advisory business or management of EACG or Aleph.

FINANCIAL INDUSTRY AFFILIATIONS

EACG has a number of relationships with other investment advisors regarding specific types of clients and investment strategies. Details regarding these relationships are discussed in more detail below; however, client accounts managed by or through these relationships are subject to the same allocation, ethics and privacy policies as those managed directly by EACG. EACG's allocation policy is discussed in more detail in the **Side-by-side Management and Allocation Policy** section above. EACG's ethics policy is discussed in more detail in the **Code of Ethics and Personal Trading Policies** section below. Copies of these policies and EACG's privacy policy is available by contacting the Chief Compliance Officer at the number or address listed on the cover of this brochure.

EACG is the manager and majority owner of Aleph, an investment advisory firm focusing on providing discretionary investment management services primarily related to global public market equity strategies to financially sophisticated clients on a separately managed account basis. Aleph's members are all either principals or employees of EACG and are subject to its code of conduct and related policies.

EACG has no existing or pending affiliations with a broker-dealer or a registered representative of a broker-dealer. EACG has no existing or pending affiliations with a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), or Commodity Trading Advisor (CTA).

CODE OF ETHICS AND PERSONAL TRADING POLICIES

EACG maintains a code of ethics which includes policies regarding the trading of securities in personal brokerage or similar accounts by its principals and employees. The code does not restrict EACG principals and employees from maintaining or trading in such accounts, but establishes that any activity that either abuses confidential knowledge about client accounts or attempts to profit at their expense is considered an abuse of the foundation of trust upon which EACG's business is built and is strictly prohibited. All EACG principals and employees are required to submit annual reports on all securities holdings and quarterly reports on all security transactions in accounts controlled either directly or indirectly (although certain exceptions apply). Submitted reports are reviewed by the Chief Compliance Officer, or his delegate. Violations of policy are punishable by sanctions including fines and termination of employment.

A copy of EACG's code of ethics is available by contacting the Chief Compliance Officer at the number or address listed on the cover of this brochure.

BROKERAGE PRACTICES

EACG has discretion over the selection of brokers used for securities transactions in its private fund clients' accounts, and may have similar discretion in the accounts of its institutional and individual clients managed on a separate account basis. Where EACG has such discretion, its selection of brokers will take 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, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available brokerage and research products and services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the other selection criteria.

Soft Dollar Benefits

The term "soft dollars" refers to the receipt by an investment manager or adviser 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. Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain brokerage and research products and services. Brokerage products and services must relate to the execution, clearance and settlement of trades. Research products and services must provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities. EACG and its affiliates will only use soft dollars within the safe harbor afforded by Section 28(e) of the Exchange Act.

The use of brokerage commissions to obtain investment research services and to pay for their own administrative costs and expenses creates a conflict of interest between EACG and its affiliates, on the one hand, and their clients, on the other, because the client pays for such products and services that are not exclusively for the benefit of the client and that may be primarily for the benefit of EACG, its affiliates or other clients.

Directed Brokerage

EACG and its affiliates permit certain clients with separately managed accounts to direct execution of transactions in their accounts to specific broker-dealers. Such clients are reminded that their direction may prevent EACG or its affiliates from achieving "best execution" and therefore end up costing the client more money.

Brokerage for Client Referrals

EACG and its affiliates may also direct some client account brokerage business to brokers who refer clients or investors to its private funds clients. Because such referrals, if any, are likely to benefit EACG and its affiliates but will provide an insignificant (if any) benefit to the client, EACG will have a conflict of interest with its clients when allocating client account brokerage business to a broker who has made such referrals. To prevent client account brokerage commissions from being used to pay referral fees, EACG and its affiliates will not allocate client account brokerage business to a referring broker unless it

has been determined in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to the client account.

REVIEW OF ACCOUNTS

Client accounts are reviewed by their respective portfolio managers, the Chief Financial Officer and the Chief Operating Officer on either a daily, monthly or quarterly basis, depending on activity in the account and the frequency of client reporting. Investors in EACG's private funds receive written statements containing individual net asset values on a monthly or quarterly basis, either from EACG directly or from the client's independent fund administrator, as set forth in the terms of the relevant private placement memorandum or partnership or limited liability company agreement. Clients with separately managed accounts generally have real-time access to reports of net asset values and account activity.

CLIENT REFERRALS

EACG and its affiliates may enter into arrangements with unaffiliated third parties whereby compensation is paid for referring clients or investors to EACG's private funds. Generally these payments are based on a percentage of management fees, performance-based fees, or some combination thereof, earned by EACG or its affiliate with respect to such client or investor. Because such arrangements contain inherent conflicts of interests between the referring party, on the one hand, and the client, on the other, EACG and its affiliates require documentation that these conflicts have been disclosed and consented to by clients.

CUSTODY

EACG may be considered to have custody of client assets as a result of fee payments or the service of its affiliates as general partner to private investment partnerships. Actual custody of client assets, however, is at a broker-dealer, bank or other qualified custodian. Clients should carefully review all account statements and compare those received from EACG or its affiliates with those received directly from its designated administrators or client custodians. For its private funds, EACG will send audited financial statements, prepared in accordance with GAAP, to each fund investor within 120 days after such fund's fiscal year end.

INVESTMENT DISCRETION

As an investment adviser, EACG has discretionary authority over clients' accounts to determine securities bought and sold and in what quantities, the amount of leverage employed, the broker-dealer used and the commission rates to pay, among other things. The specific terms of the scope of EACG discretion is detailed in the relevant account's investment management agreement.

PROXY VOTING POLICY

EACG has adopted a proxy voting policy that is guided by its fiduciary responsibilities and commits its principals and employees to vote in a manner which is believed to do the most to maximize shareholder value and to never prioritize unrelated objectives. Proxy votes are reviewed by the Chief Compliance Officer or his delegate for adherence to this policy, and a copy of both the policy and EACG's proxy voting record is available by contacting the Chief Compliance Officer at the number or address listed on the cover of this brochure.

FINANCIAL INFORMATION

EACG does not require or solicit prepayment of Management Fees six or more months in advance. EACG and its affiliates have no financial condition to disclose that is reasonably likely to impair their ability to meet contractual commitments to their clients. Additionally, neither EACG nor its affiliates have been the subject of a bankruptcy petition during the past ten years.

For questions or requests for additional information, please contact the Chief Compliance Officer at the number or address listed on the cover of this brochure.