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## **Form ADV, Part 2A**

### **Item 1 – Cover Page**

## **Garrison Point Funds, LLC**

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San Francisco, CA 94111

(415) 229-9020

November 30, 2012

This Form ADV, Part 2A, (“Brochure”), provides information about the qualifications and business practices of Garrison Point Funds, LLC. If you have any questions about the contents of this Brochure, please contact us at (415) 229-9020. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Garrison Point Funds, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Garrison Point Funds, LLC is registered with the SEC under the Investment Advisers Act of 1940. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

**Item 2 – Material Changes**

No material changes to report at this time.

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**Item 4 – Advisory Business**

Garrison Point Funds, LLC (“Registrant”) is operated by Garrett J. Smith, Principal; Tom S. Miner, Principal; Leon A. Root, Chief Financial Officer and Julie T. Meissner, Chief Compliance Officer. As of November 30, 2012, Registrant’s advisory assets under management were approximately \$0 million, consisting of approximately \$0 million in discretionary managed assets and \$0 million in non-discretionary managed assets. Registrant had approximately 0 discretionary clients and 0 non-discretionary clients. Registrant was formed and registered under the Investment Advisers Act of 1940 (“Advisers Act”) in 2012.

Registrant provides investment advice and management to individually managed accounts that is tailored to the needs of individual clients, mostly on a discretionary basis. For discretionary clients, Registrant has complete discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent. Clients may impose restrictions on their investments upon request. These restrictions may include prohibitions or limits on individual securities, security types, asset classes, allocation, liquidity, credit quality and income. For non-discretionary accounts, Registrant generally does not have discretion to buy or sell securities without specific client consent.

Registrant is affiliated with Storie Advisors, LLC; Pine Capital Management, LLC; Garrison Point Capital, LLC; San Francisco Sentry Risk Advisors and San Francisco Sentry Investment Group, all of which are registered investment advisers under the Advisers Act. Registrant is also affiliated with S.F. Sentry Securities, Inc., a broker-dealer registered under the Securities Exchange Act of 1934 and FINRA. Registrant, Storie Advisors, LLC; Pine Capital Management, LLC; Garrison Point Capital, LLC; San Francisco Sentry Risk Advisors; San Francisco Sentry Investment Group and S.F. Sentry Securities, Inc. have certain owners and/or senior managers in common, and share office space in downtown San Francisco. Leon A. Root, the Chief Financial Officer, is also the Chief Financial Officer of Storie Advisors, LLC; Pine Capital Management, LLC; San Francisco Sentry Investment Group; Garrison Point Capital, LLC; San Francisco Sentry Risk Advisors and S.F. Sentry Securities, Inc. Julie Meissner is the Chief Compliance Officer of Registrant, Storie Advisors, LLC; Pine Capital Management, LLC; Garrison Point Capital, LLC; San Francisco Sentry Risk Advisors; San Francisco Sentry Investment Group and S.F. Sentry Securities, Inc. These entities or their principals also control various investment limited partnerships and limited liability companies. All of these entities may share office space and the services of certain employees. These relationships are further discussed below.

**Item 5 – Fees and Compensation**

Registrant's clients, the limited partnerships, pay Registrant an advisory fee of one percent (2%) per annum of the partnerships' average monthly total net assets. Clients pay this fee on a quarterly basis, in the amount of 0.50% per quarter, at the end of each calendar quarter. The advisory fee may be waived for any of Registrant's principals or employees who are limited partners. Registrant, as General Partner, also receives a special allocation of twenty percent (20%) of the cumulative increase in net profit annually allocated to each limited partner's capital account, including net realized and unrealized capital gains and net dividend and interest income. The 20% special allocation fee is in addition to the 2% annual advisory fee. Limited partner net losses in any year must be recouped before the Registrant may receive the special allocation fee. The special allocation fee may not be made with respect to any limited partner who has not been a member of a partnership for at least one year. Fees are deducted from client accounts.

The advisory and special allocation fees are not negotiable. Registrant believes its fees and compensation are competitive with fees and compensation paid to other investment advisers for comparable services; however, comparable services may be available from other sources for lower fees and compensation than those charged by Registrant.

The Fund will operate as a closed-end fund. It is intended to be self-liquidating. No Limited Partner will have right to a return of his Capital Contribution or to withdraw any amount during the estimated seven-year life of the fund. No market for the Interests is expected to develop.

In view of the restrictions on redemptions and resale described herein, each Limited Partner must have funds adequate to meet personal needs and contingencies, must not need prompt liquidity from the investment, and must purchase Interests with a view to holding them for a period of at least seven years.

Registrant's annual fees and special allocation fees for its investment advisory services are separate and distinct from additional fees charged by Registrant's affiliated investment advisers or other client limited partnerships.

Registrant's fees for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange-traded funds ("ETFs") to shareholders. Clients invested in mutual funds or ETFs will pay advisory fees to Registrant and will pay additional advisory, brokerage, custodial and administrative fees as a shareholder of the applicable mutual fund or ETF. Registrant's fees are also separate and distinct from custodial, accounting, legal and other fees incurred by clients.

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Registrant generally selects S.F. Sentry Securities, Inc., a broker-dealer registered with the SEC and FINRA, as its introducing broker to execute trades on behalf of advisory client partnerships. Advisory clients and investors pay commissions to S.F. Sentry Securities, Inc. as compensation for these brokerage services. These brokerage fees paid by advisory clients are in addition to Registrant's annual advisory and applicable performance fees. S.F. Sentry Securities, Inc. earns most of its revenues by providing Registrant and other affiliated entities with brokerage services. Clients may invest in other investments that are not related to Registrant and that may use independent brokers for higher or lower fees than the advisory, performance and brokerage fees paid to Registrant or its affiliates. See Item 12 regarding brokerage practices.

In all cases in which transactions are directed to S.F. Sentry Securities, Inc., or to any other broker, Registrant will determine in good faith that the commissions charged in connection with those transactions are reasonable in relation to the value of the brokerage, research and other services provided by that broker, viewed in terms of either the specific transaction or Registrant's overall responsibilities to the portfolios over which Registrant exercises investment authority. Registrant will regularly review the commission rates paid by its advisory client partnerships to determine that they are competitive with commissions paid by clients of investment advisors that provide services similar to Registrant's. Nevertheless, Registrant's clients may be able to obtain more favorable brokerage commission rates elsewhere particularly when one considers the advisory fees being paid to Registrant.

**Item 6 – Performance-Based Fees and Side-By-Side Management**

Registrant does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client). However, Registrant's affiliated investment adviser, Storie Advisors, LLC and Pine Capital Management, LLC, do charge performance fees, in addition to annual asset-based fees, for advisory services. Storie Advisors, LLC and Pine Capital Management, LLC serve as a general partner and investment adviser for affiliated limited partnerships (i.e. hedge funds). Registrant's principals and employees also provide investment advisory and other services to Storie Advisors, LLC and Pine Capital Management, LLC. Certain clients of Registrant may have invested in one or more of these affiliated, investment limited partnerships managed by Storie Advisors, LLC. These arrangements may result in a conflict of interest because Registrant and its employees may have an incentive to favor accounts for which its affiliates receive a performance fee. Registrant and its employees may also have an incentive to recommend

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that advisory clients invest in other affiliated entities to obtain additional advisory fees. See Item 10.E. for additional information.

Registrant has taken numerous actions to address these potential conflicts of interest. Registrant is committed to meeting its fiduciary duty to its clients under the Advisers Act, which includes the duty to act in its clients' best interest at all times and to disclose material conflicts of interest. Registrant has adopted and implemented a Code of Ethics and Compliance Program that includes specific provisions regarding Registrant's and employees' fiduciary duties with respect to potential conflicts of interest resulting from investments managed by Registrant's affiliated investment advisers and limited partnerships. These policies and procedures include, among other things, provisions that: (1) require that investments in affiliated entities must be in the best interests of advisory clients; (2) require that investment opportunities must be fairly and equitably allocated between Registrant and its affiliates; and (3) prohibit employees from profiting at the expense of Registrant's advisory clients. Registrant has also appointed Julie Meissner as the Chief Compliance Officer. As Chief Compliance Officer, Ms. Meissner is responsible for ensuring that Registrant and its employees meet their fiduciary obligations under the Advisers Act and Registrant's Code of Ethics and Compliance Program on an ongoing basis.

**Item 7 – Types of Clients**

Registrant's clients include individuals, high net worth individuals, trusts, businesses, pension plans and charitable organizations. Registrant generally requires a minimum investment of \$500,000, although Registrant may accept a lesser amount in its discretion.

**Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss****Investing in securities involves risk of loss that clients should be prepared to bear.**

In simple terms, the Fund's objective is to gain from investments in residential mortgage-backed securities (RMBS) whose value is expected to increase in the event of a stabilizing or recovering U.S. residential real estate market. Specifically, the Fund's objective is to generate attractive loss-adjusted returns with low interest rate risk by taking advantage of technical dislocations and valuation biases in the non-agency RMBS market. The goal is to build and maintain a portfolio of non-agency RMBS that will generate positive IRRs in a wide range of market conditions. The key components to the Fund's approach are bond selection with a focus on finding "asymmetric return" profiles,

portfolio construction with a focus on minimizing downside capture and collateral monitoring and liquidation.

### **Bond Selection**

The Fund will seek to achieve its investment objective by investing, through the Master Fund, in a portfolio of RMBS a certain other securities with the potential to provide a high IRR. Notwithstanding this objective, the Master Fund may invest in asset-backed securities of any kind. Under normal circumstances, however, the Master Fund will invest at least 80% of its total assets in non-agency RMBS, a portion of which is likely to be subprime bonds issued in 2005 or earlier.

The General Partner uses multiple quantitative models to assist in analyzing bonds, each model having a different approach and housing database to draw information from. The goal is to find bonds capable of withstanding recessionary scenarios, while maximizing the upside potential should housing stabilize (the latter being a characteristic widely ignored in the marketplace). The General Partner believes the Fund's base scenario assumptions are conservative in nature—they assume no growth, or slightly negative growth, in U.S. home prices and a continuation of the high default environment of the last two years indefinitely.

Using these scenarios is the first step in managing the downside risk and determining the market values for RMBS (since these break-even points tend to be the key valuation metrics that drive prices in the marketplace). Next, the General Partner assesses the option value of a positive outcome using scenarios that represent a stabilization of the housing market. These two independent valuations identify option value and instances of what the General Partner refers to as “asymmetric returns” (e.g., -20% yield in a severe downturn, but 5x return in a recovery). The General Partner also looks for bonds that may experience significant increases in performance should the underlying mortgages refinance. This is a scenario that it believes is being widely ignored in the current marketplace and another way in which the General Partner may find asymmetric returns.

The final phase of selecting bonds consists of performing due diligence on each bond to further narrow the selection to bonds with the best collateral and support structure. Detailed analysis of the collateral composition (i.e. geographic distribution, loan sizes, FICO scores, mortgage rates, etc.) and performance (i.e. delinquencies, default rates, prepayment rates, average loss severities, % perfect payers, etc.) is performed to identify the best potential investment opportunities. Special attention is paid to the mark-to-market loan-to-value (mtm LTVs) of the underlying mortgages. As a result, the General Partner has a

tendency to prefer “seasoned” bonds that are backed by mortgages originated in 2005 or earlier (before home prices experience rapid price appreciation) and subprime bonds which typically have already liquidated most of the underwater loans in the collateral pool (leaving only a small percentage of the original homeowners who have consistently made payments for 7+ years through a very trying period).

### **Item 9 – Disciplinary Information**

Registrant does not believe there has been any legal or disciplinary event that is material to an evaluation of the Registrant’s integrity or ability to meet contractual commitments to clients. There are no disciplinary actions to report.

### **Item 10 – Other Financial Industry Activities and Affiliations**

#### **A. Affiliated Investment Limited Partnerships**

Registrant is affiliated with Storie Advisors, LLC and Pine Capital Management, LLC; all of whom are registered investment advisers. Storie Advisors, LLC is the general partner and investment adviser of Storie Partners, L.P. Pine Capital Management, LLC is the general partner and investment adviser of Pine Capital Maritime Shipping Fund (BVI) LTD. The general partners have a profits interest in investment partnerships they manage and also receive a management fee.

Clients may be solicited to invest in investment partnerships managed by Registrant’s affiliates, who include Storie Advisors, LLC, Pine Capital Management, LLC and other entities. These investment partnerships are composed of partners who, in the main, qualify as accredited investors under the Securities Act of 1933, and may also include a limited number of unaccredited investors. The partnerships seek growth of capital through investment in a variety of financial instruments/strategies including, but not limited to, emerging growth companies, restructuring companies, short sales; options and risk arbitrage. The partnerships may invest in opportunistic situations based on considerable fundamental research, which is conducted to determine the expected values, risks, and timing associated with each anticipated strategy. These entities may also borrow funds to make investments, which may result in increased risk of investment losses.

#### **B. Garrett J. Smith**



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Mr. Smith is a Principal and Portfolio Manager of Registrant. He is also a Registered Representative of S.F. Sentry Securities, Inc. Mr. Smith devotes the majority of his time to Registrant and S.F. Sentry Securities, Inc. Although it is expected that the majority of Mr. Smith time will be devoted to Registrant and S.F. Sentry Securities, Inc., the specific time for each will depend on circumstances, including the development of each business.

**C. Tom S. Miner**

Mr. Miner is a Principal and Portfolio Manager of Registrant. He is also a Registered Representative of S.F. Sentry Securities, Inc. Mr. Miner devotes the majority of his time to Registrant and S.F. Sentry Securities, Inc. Although it is expected that the majority of Mr. Miner time will be devoted to Registrant and S.F. Sentry Securities, Inc., the specific time for each will depend on circumstances, including the development of each business.

**D. Leon A. Root**

Mr. Root is the Chief Financial Officer of Registrant. He is also the Chief Financial Officer of Storie Advisors, LLC; Pine Capital Management, LLC; Garrison Point Capital, LLC; San Francisco Sentry Risk Advisors; San Francisco Sentry Investment Group and S.F. Sentry Securities, Inc. Mr. Root devotes the majority of his time to Registrant, San Francisco Sentry Investment Group and S.F. Sentry Securities, Inc. Although it is expected that the majority of Mr. Root's time will be devoted to Registrant, San Francisco Sentry Investment Group and S.F. Sentry Securities, Inc., the specific time for each will depend on circumstances, including the development of each business.

**E. Julie T. Meissner**

Ms. Meissner is the Chief Compliance Officer of Registrant. She is also the Chief Compliance Officer of Storie Advisors, LLC; Pine Capital Management, LLC; Garrison Point Capital, LLC; San Francisco Sentry Risk Advisor; San Francisco Sentry Investment Group and SF Sentry Securities, Inc. Ms. Meissner devotes the majority of her time to Registrant, San Francisco Sentry Investment Group and SF Sentry Securities, Inc. Although it is expected that the majority of Ms. Meissner's time will be devoted to Registrant; San Francisco Sentry Investment Group and SF Sentry Securities, Inc., the specific time for each will depend on circumstances, including the development of each business.

**F. Shared Office Space and Employees**

Registrant and its various affiliated entities share common offices in downtown San Francisco. Julie Meissner is the Chief Compliance Officer of these same entities. As noted

above, Leon Root is the Chief Financial Officer of these entities. Employees of these entities also provide services to affiliated entities on an ongoing basis.

**G. Addressing Potential Conflicts of Interest**

Registrant recognizes that its relationships with affiliated persons and entities, as described above, may result in potential conflicts of interest between the interests of advisory clients and the interests of Registrant and its affiliated entities and persons. Registrant has taken numerous actions to address these potential conflicts of interest. Registrant is committed to meeting its fiduciary duty to its clients under the Advisers Act, which includes the duty to act in its clients' best interest at all times and to disclose material conflicts of interest.

Registrant has adopted and implemented a Code of Ethics and Compliance Program that includes policies and procedures regarding Registrant's fiduciary duty with respect to potential conflicts of interest resulting from investments and accounts managed by Registrant's affiliated investment advisers and limited partnerships. These policies and procedures require, among other things, that Registrant: (1) manage portfolios in accordance with client investment guidelines and objectives; (2) invest client funds in affiliated entities only when such investments are in the clients' best interest; (3) disclose all fees charged by Registrant and its affiliates; (4) allocate investment opportunities among affiliated entities in a fair and equitable way; and (5) prohibit employees from wrongfully profiting the expense of advisory clients. Registrant has also appointed Julie Meissner as the Chief Compliance Officer. As Chief Compliance Officer, Ms Meissner is responsible for ensuring that Registrant and its employees meet their fiduciary obligations under the Advisers Act and Registrant's Code of Ethics and Compliance Program on an ongoing basis. Mr. Root is also responsible for ensuring that Registrant and its employees meet their fiduciary obligations under the Advisers Act and Registrant's Code of Ethics and Compliance Program.

**Item 11 – Code of Ethics**

Registrant has adopted a Code of Ethics for all supervised persons of the firm, which includes all employees of Registrant and its affiliates, describing its high standard of business conduct and fiduciary duty to its clients. The purpose of this Code of Ethics is to require Registrant and its employees to act in the best interests of its clients at all times and to address potential conflicts of interest between Registrant and its employees and advisory clients. Registrant's clients or prospective clients may request a copy of the Code of Ethics by contacting Julie Meissner, Chief Compliance Officer, at (415) 229-9000.

Registrant's Code of Ethics is based on the principle that all employees and certain other persons have a fiduciary duty to place the interest of clients ahead of their own interest and the interests of Registrant and its affiliates. The Code of Ethics applies to all "Access Persons" (i.e. employees and certain other persons with access to confidential information regarding client investments). Access Persons must avoid activities, interests and relationships that might interfere with making decisions in the best interest of advisory clients. As fiduciaries, all Access Persons must, at all times: (1) place the interests of advisory clients first; (2) avoid taking inappropriate advantage of their position (For example, access persons may not use their knowledge of portfolio transactions to profit by the market effect of such transactions); and (3) conduct and report all personal securities transactions in full compliance with the Code of Ethics on an ongoing basis. These reporting requirements ensure that Access Persons do not place their personal interests ahead of clients' interests when making their personal securities transactions.

The Code of Ethics also permits Registrant and its employees to personally invest in securities of the same class that are purchased for clients and to own securities of a class that are subsequently purchased for clients. If securities of a particular class are purchased or sold for clients and Registrant or its employees on the same day, then the client will either pay or receive a more favorable price, or receive the same price as Registrant, affiliates and employees. Registrant and/or its employees may also buy or sell a specific security for its/their own account which they do not deem appropriate to buy or sell for clients.

Access Employees who violate the Code of Ethics are subject to sanctions, which may include dismissal from employment and the reporting of misconduct to legal authorities.

**Item 12 – Brokerage Practices**

Registrant generally has discretion over the selection of the brokers to be used and the commission rates to be paid in the absence of specific instructions from a client. Subject to obtaining best execution and competitive pricing in Registrant's good faith judgment, Registrant may select S.F. Sentry Securities, Inc., an affiliated broker-dealer registered with the SEC and FINRA, as the introducing broker for its advisory clients. S.F. Sentry Securities, Inc. earns most of its revenues by providing brokerage services to affiliated entities. Brokerage clearing services are generally provided by J.P. Morgan. Other brokers may also provide brokerage clearing services on a limited basis.

In selecting a broker for any transaction or series of transactions, Registrant will attempt to obtain, in its good faith judgment, the best qualitative execution. In this regard, Registrant may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency or execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, offering to Registrant on-line access to computerized data regarding clients' accounts, the availability of stocks to borrow for short trades and other matters involved in the receipt of brokerage services generally.

Registrant may receive certain software and research services in connection with client trades (i.e. software and research from Bloomberg). Registrant generally seeks to receive these services in a manner consistent with its fiduciary duty to its advisory clients and the provisions of Section 28(e) of the Securities Exchange Act of 1934. Various broker-dealers provide Registrant with proprietary research and other products and services (i.e. receipt of duplicate trade confirmations and account statements, trading desk access, the ability to aggregate clients' securities transactions, and the ability to directly debit advisory fees from clients' accounts). Registrant may also purchase from a broker or allow a broker to pay for certain research services, economic and market information, portfolio strategy advice, industry company comments, technical data, recommendations, general reports, consultations, performance measurement data, on-line pricing, news wire charges, office equipment and the like (a "soft dollar" relationship).

Registrant may pay a brokerage commission in excess of that which another Broker-Dealer might charge for effecting the same transaction in recognition of the value of the brokerage, research and other services and soft dollar relationships. In such a case, however, Registrant will determine in good faith that such commissions are reasonable in relation to the value of brokerage, research and other services and soft dollar relationships provided by such Broker-Dealer, viewed in terms of either the specific transaction or Registrant's

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overall responsibilities to the portfolios over which Registrant exercises investment authority. Some accounts, nevertheless, may pay higher brokerage commissions than are otherwise available, while the research and other benefits resulting from the brokerage relationship may benefit all Registrant accounts or Registrant's operations as a whole.

Registrant occasionally executes over-the-counter ("OTC") securities transactions on an agency basis. Thus, Registrant's clients may incur two transaction costs for a single trade: a commission paid to Registrant's executing broker-dealer plus any mark-up or mark-down charged by the market-making broker-dealer, which is included in the offer or bid price of the securities purchased or sold. Registrant would execute such transactions on a principal basis if it believed that doing so would be favorable compared to executing on an agency basis. Registrant usually does not execute principal transactions with advisory clients, does not execute cross-trades among advisory clients, and does not execute trades between its affiliated broker-dealer's brokerage clients and advisory clients. However, on rare occasions, Registrant may use an internal account to trade securities (i.e. municipal bonds) when such trades are in the best interests of advisory clients and in accordance with applicable regulatory requirements.

Registrant may, in its discretion, aggregate the trades of advisory clients with the trades of clients of its affiliated advisers and limited partnerships when it is in the best interests of its clients. Clients who participate in aggregated trades will receive the same prices and an equitable allocation of shares.

A client may direct Registrant to utilize a particular broker-dealer to execute some or all transactions for the client's account. In such circumstances, the client is responsible for negotiating the terms and arrangements for the account with that broker-dealer. Registrant will not seek better execution services or prices from other broker-dealers and will not be able to aggregate the client's transactions with other broker-dealers with orders for other accounts advised or managed by Registrant. As a result, Registrant may not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

Potential conflicts of interest may arise between the interests of advisory clients and the receipt of commissions and other compensation by S.F. Sentry Securities, Inc., an affiliated registered broker-dealer. However, these potential conflicts of interest are addressed by Registrant's ongoing practice of permitting clients to select their own brokers, disclosure of its compensation and brokerage practices to clients, and by seeking best execution on behalf of its clients at all times. See Item 5 for additional information.

**Item 13 – Review of Accounts**

Client portfolios are reconciled daily and reviewed on at least a quarterly basis. More frequent reviews may be conducted in response to changes in market or economic conditions or changes in a client's investment objectives or financial condition. Securities held in client accounts are reviewed on a daily basis. Reviews are generally conducted by Mr. Smith and Mr. Miner. Registrant provides clients with at least quarterly reports regarding portfolio holdings, trades, fees and performance.

**Item 14 – Client Referrals and Other Compensation**

Registrant may pay compensation for client referrals. In the event Registrant pays compensation for client referrals, the details of these arrangements will be disclosed to the clients or prospective clients, in writing in accordance with Rule 206(4)-3 and other applicable requirements under the Advisers Act.

Registrant's affiliated investment advisers and limited partnerships may pay a portion of their management fee and performance-based fees to persons who refer such clients or investors. All such compensation for client referrals shall be made in accordance with Rule 206(4)-3 and other applicable requirements under the Investment Advisers Act of 1940.

Registrant's affiliated broker-dealer, S.F. Sentry Securities, Inc., may pay client referral fees to certain persons who refer clients to the affiliated broker-dealer.

Registrant addresses potential conflicts of interest arising from these client referral arrangements by complying with Rule 206(4)-3 and other applicable requirements of the Advisers Act.

**Item 15 – Custody**

As general partner, Registrant has custody of the funds and securities owned by client partnerships. The funds and securities of each partnership will be held by an independent custodian and/or independent brokerage firm(s) in the name of the partnerships. J.P. Morgan Chase is generally the custodian for the client partnerships' assets, along with other independent custodians determined by Registrant. The partnerships will instruct the custodian/brokerage firm(s) to transfer partnership funds and securities to Registrant only

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for payment of advisory and performance fees and Registrant's appropriate share of distributions and for withdrawal or redemption of its capital in accordance with the partnership agreement. The partnerships will instruct each custodian/brokerage firm not to otherwise wire, mail or deliver securities or cash from respective partnership accounts to the Registrant or the partnerships. The partnerships will engage an accountant to prepare audited financial statements on an annual basis. The annual audit will include confirmation of the partnership's securities and other assets. Registrant provides investors in the partnerships with copies of the annual, audited financial statements prepared by an independent accountant, and other data as appropriate, in accordance with the requirements of Rule 206-4(2) of the Advisers Act.

**Item 16 – Investment Discretion**

As general partner and adviser, Registrant has complete discretion to determine to purchase and sell securities on behalf of its client partnerships, subject to applicable guidelines and restrictions stated in the partnership documents.

**Item 17 – Voting Client Securities**

Registrant is responsible for proxy voting on behalf of its partnership clients. Registrant, at all times, seeks to exercise its proxy voting responsibilities in the best interests of its clients. Clients who wish to discuss their proxy votes with Registrant may call Julie Meissner, Chief Compliance Officer, at (415) 229-9000.

**Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures regarding any financial conditions that may impair their ability to meet contractual commitments to clients. Registrant has no financial conditions that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.