

STONECASTLE CASH MANAGEMENT, LLC

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Form ADV Part 2 BROCHURE

This Brochure provides information about the qualifications and business practices of StoneCastle Cash Management, LLC (“StoneCastle”). If you have any questions about the contents of this Brochure, please contact us at 212-354-6500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

StoneCastle is a registered investment adviser. 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.

Additional information about StoneCastle also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This Annual Updating Amendment of StoneCastle's Form ADV contains one material change and several non-material changes. The material change is that the CCO changed. This document has been posted on the SEC's public disclosure website (IAPD) www.adviserinfo.sec.gov.

Additional information about StoneCastle is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with StoneCastle who are registered, or are required to be registered, as investment adviser representatives of StoneCastle.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Erik Minor at (212) 354-6500.

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Item 4 – Advisory Business

StoneCastle Cash Management, LLC was formed in 2010 and is a wholly-owned subsidiary of StoneCastle Partners, LLC. StoneCastle Partners, LLC was formed in 2003.

StoneCastle provides investment advisory services directly to high net worth individuals and institutional clients, and is contemplating providing such services to registered 40 Act companies.

As of December 31, 2012, StoneCastle had discretionary assets under management of approximately \$2.2 billion.

StoneCastle offers advice on demand and time deposits at banks that offer FDIC-insured accounts.

Item 5 – Fees and Compensation

Generally, StoneCastle charges an advisory fee, based on assets under management. StoneCastle's advisory fees are negotiated on a case by case basis as are the termination provisions. Generally, StoneCastle's advisory fee is payable periodically in arrears. Advisory fees are set forth in the advisory contracts with each client.

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

Performance fees are negotiated and determined on a case by case basis and will be set forth in the related advisory contract.

Item 7 – Types of Clients

StoneCastle provides managed account services and generally imposes a minimum dollar commitment, but such minimum commitment is negotiated on a case by case basis. StoneCastle may lower such minimum at its discretion. There is no minimum amount required for subsequent deposits.

StoneCastle currently provides investment management services to: Individuals, banks or thrift institutions, investment companies and corporations or business entities, pension and profit sharing plans, and trusts, estates or charitable organizations.

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

Analysis:

As part of its focus on fundamental analysis, StoneCastle selects its investments through our extensive network of carefully selected and screened participating banks.

StoneCastle also uses other public data bases (such as those available through FDIC, OTS, OCC and the Federal Reserve) to conduct its analysis and has developed its own proprietary credit system for rating banks.

Investment Strategies:

StoneCastle utilizes money market deposit and CD accounts sponsored by community banks all of which have pass-through deposit insurance coverage through the FDIC.

Risk of Loss:

Investing in money market deposit accounts involves certain minimum risks that clients should be prepared to bear. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

Item 9 – Disciplinary Information

StoneCastle does not have any legal, financial or other disciplinary item to report.

Item 10 – Other Financial Industry Activities and Affiliations

StoneCastle is part of a group of affiliated companies engaged in the financial services business. In some cases, StoneCastle has business arrangements with its related companies that are material to StoneCastle’s advisory business or to its clients. These arrangements may cause StoneCastle or a related person’s interests to diverge from the best interests of a client. We refer to advisory affiliates and any person or company that is under common control with StoneCastle as “related persons”.

StoneCastle is a related person of the following other entities:

- StoneCastle Partners, LLC
- StoneCastle Investment Management, LLC
- StoneCastle Loan Management, LLC
- StoneCastle Advisors, LLC (Investment Adviser)
- StoneCastle Asset Management, LLC (Investment Adviser)
- StoneCastle Placement Advisors, LLC
- StoneCastle Securities, LLC (Broker Dealer)

StoneCastle’s Code of Ethics described in Item 11 below addresses these potential conflicts.

Item 11 – Code of Ethics

StoneCastle has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at StoneCastle must acknowledge the terms of the Code of Ethics annually, or as amended.

Such potential conflicts include those relating to allocation of investment opportunities. For example, it is possible that an investment opportunity may be suitable for more than one account managed by StoneCastle, but may not be available in sufficient

quantities for all accounts to participate fully. Similarly, there may be limited opportunity to sell an investment held by multiple accounts. A conflict arises where the portfolio manager has an incentive to treat an account preferentially because the account pays StoneCastle or its affiliates a performance-based fee or the portfolio manager, StoneCastle or an affiliate has an ownership or other economic interest in the account. To address these conflicts of interest associated with the allocation of trading and investment opportunities, StoneCastle has adopted an investment allocation policy and trade allocation procedures that govern the allocation of portfolio transactions and investment opportunities across multiple advisory accounts, including affiliated accounts. StoneCastle allocates across accounts fairly and equitably over time based upon its policies and procedures.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of StoneCastle will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of StoneCastle's clients.

Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between StoneCastle and its clients.

To supervise compliance with its Code of Ethics, StoneCastle requires that all employees provide copies of their personal securities holdings and transaction reports to the firm's Chief Compliance Officer for review. In addition, StoneCastle requires all employees to receive approval from the Chief Compliance Officer for certain types of investments (i.e., IPO's or private placements) and at certain times based on client trading activities. Any individual not in observance of the above may be subject to disciplinary action.

As a registered investment adviser, StoneCastle serves as a fiduciary to its clients. As a fiduciary, StoneCastle owes its clients an affirmative duty of utmost good faith and full and fair disclosure of all material facts. StoneCastle must disclose all material facts regarding the Firm, the advisory services rendered, compensation and conflicts of interest. StoneCastle has adopted a Code of Ethics which deals with the following areas: employee conduct, conflicts of interest, gifts, outside business activities, confidentiality of information, insider trading, procedures for personal securities transactions of directors, officers and employees, and initial public offerings and private offerings. Each officer, director and employee is required to certify that he or she has read and understands the Code of Ethics.

StoneCastle's Code of Ethics is based upon the following core principles:

1. The interests of clients will be placed ahead of the Firm's or any Supervised Person's own investment interests at all times.
2. Supervised Persons are expected to conduct their personal securities transactions in accordance with the Firm's Personal Trading Policy, which requires that they submit an initial holdings report and regularly report their personal securities holdings thereafter, and notify the Chief Compliance Officer of any outside business activity in which they would like to engage.
3. Supervised Persons are expected to comply with federal and other applicable securities laws.
4. Information concerning the identity of security holdings and financial circumstances of all clients is confidential.
5. Supervised Persons should not accept inappropriate gifts, favors, entertainment, special accommodations or other things of material value that could influence their decision-making or make them feel beholden to a person or firm.

Failure to comply with the Firm's Code of Ethics may result in disciplinary action, up to and including termination of employment.

Conflicts

StoneCastle or its affiliates may have deposit accounts at the same banks that it recommends to its clients. As noted above, StoneCastle's Code of Ethics requires all personnel to act in the best interests of clients and avoid any conflicts of interest.

Clients and prospective clients may request a complete copy of StoneCastle's Code of Ethics by contacting the Chief Compliance Officer at the address, telephone number on the cover page.

Item 12 – Brokerage Practices

This section is currently not applicable.

Item 13 – Review of Accounts

Reviews

Managed accounts are reviewed at least quarterly by the applicant's credit/investment committee. Each bank at which a deposit in a managed account is held is reviewed for credit and return profile. The reviewers will consist of those members of the credit/investment committee.

Regular reports are provided to clients on such periodic dates, and with such content, as is negotiated on a case by case basis.

Item 14 – Client Referrals and Other Compensation

On a case by case basis, StoneCastle may compensate a person for a client referral. Such compensation may take the form of a one-time fee, or may take the form of a portion of StoneCastle's fees on the account.

Item 15 – Custody

StoneCastle does not maintain custody of clients' funds and/or securities.

Item 16 – Investment Discretion

The limitations on StoneCastle's authority to determine, without obtaining specific consent, the securities to be bought or sold, or the amount of the securities to be bought or sold, are set forth in the applicable management agreement that is negotiated with each client.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

This item is currently not applicable. However, should the occasion arise, StoneCastle has policies and procedures in place and shall vote proxies relating to portfolio voting securities in what StoneCastle perceives to be the best interests of its clients. StoneCastle shall review on a case-by-case basis each proposal submitted to a

shareholder vote to determine its impact on portfolio voting securities held by its clients. Although StoneCastle will generally vote against proposals that may have a negative impact, StoneCastle may vote for such a proposal if there is a compelling long-term reason to do so.

StoneCastle's proxy voting decisions are made by the senior officers who are responsible for monitoring portfolio securities. To ensure that StoneCastle's vote is not subject to a conflict of interest, StoneCastle requires that: (1) anyone involved in the decision making process disclose to the CCO any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) anyone involved in the voting decision making process is prohibited from revealing how StoneCastle intends to vote on a proposal in order to reduce any attempted influence from interested parties.

Conflicts based on a business relationship with StoneCastle or any affiliate will be considered only to the extent that StoneCastle has actual knowledge of such relationships. If StoneCastle determines that voting a particular proxy would create a material conflict of interest between StoneCastle's interests and the interests of clients, StoneCastle may: (1) disclose the conflict to the client and obtain the client's consent before voting the proxy; (2) vote such proxy based on the recommendation of an independent third party; (3) "mirror vote" the proxy in the same proportion as the votes of other non-client proxy holders; or (4) vote in accordance with predetermined decision making criteria.

Investment advisory clients may request a copy of StoneCastle's Proxy Voting Policies and Procedures and/or information concerning how StoneCastle has voted securities in the client's account by contacting StoneCastle. StoneCastle will not disclose proxy votes for one client to other clients or third parties unless requested in writing by the client on whose behalf the proxy was voted. However, to the extent that StoneCastle may serve as a sub-adviser to another adviser, StoneCastle is authorized to provide proxy voting records to such other adviser.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about StoneCastle's financial condition. StoneCastle has no financial condition that impairs its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition.

StoneCastle does not require prepayment of advisory fees; therefore the firm is not required to provide an audited financial statement.

Item 19 – Requirements for State-Registered Advisers

Not Applicable.