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Form ADV Part 2A

FIRM BROCHURE

November 18, 2013

This Form ADV Part 2A firm brochure (this “**Brochure**”) provides information about the qualifications and business practices of B. Riley Asset Management LLC (“**BRAM**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact the Firm’s Chief Compliance Officer, Allison Petchenick, at 310.966.1446 or apetchenick@brileyco.com. 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 BRAM also is available on the SEC’s website at <http://www.adviserinfo.sec.gov>.

BRAM may refer to itself as a “registered investment adviser” in materials distributed to current and prospective clients. As a registered investment adviser with the SEC, BRAM is subject to the rules and regulations adopted by the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Registration as an investment adviser is not an indication that BRAM or its directors, officers, employees or representatives have attained a particular level of skill or ability.

ALL INVESTMENT ADVISORY AGREEMENTS ENTERED INTO BY BRAM WITH A CLIENT WILL BE EITHER PRECEDED BY THE PROVISION OF WRITTEN DISCLOSURES TO THE CLIENT REGARDING ANY MATERIAL CONFLICTS OF INTEREST RELATED TO BRAM, ITS REPRESENTATIVES, AND EMPLOYEES OR WILL INCLUDE WRITTEN DISCLOSURES AS PART OF OR ATTACHED TO THE INVESTMENT ADVISORY AGREEMENT PROVIDED TO THE CLIENT REGARDING ANY MATERIAL CONFLICTS OF INTEREST RELATED TO BRAM, ITS REPRESENTATIVES, AND EMPLOYEES.

Item 2 Material Changes

This Brochure dated November 18, 2013 is the first version of BRAM's brochure. Accordingly, there are no prior versions of the brochure and no material changes to be noted. In the future, when BRAM amends its brochure for its annual update and the amended version contains material changes from the last annual update, BRAM will identify and discuss those changes either on this page or as a separate document accompanying the brochure.

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Item 4 Advisory Business**A. Advisory Firm**

BRAM is a Delaware limited liability company formed on January 28, 2011. Prior to the date of this Brochure, BRAM had not commenced operations. BRAM is wholly-owned by B. Riley & Co. Holdings, LLC, a Delaware limited liability company formed in May 2007, which is 100% owned by Bryant R. Riley. B. Riley & Co., LLC ("**B. Riley**"), a broker-dealer registered with the Financial Industry Regulatory Authority ("**FINRA**") and an investment adviser registered with the State of California, is BRAM's affiliated broker-dealer.

B. Investment Advisory Services

BRAM provides investment advisory services with respect to one or more private investment funds (each, a "**Fund**"), separately managed accounts for institutional investors and high net worth individuals (collectively, "**Accounts**") and one or more investment companies (each, an "**Investment Company**") registered with the SEC under the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

Reference to Funds, Accounts and Investment Companies are collectively referred to as the "**Clients**".

C. Personalized Investment AdvicePrivate Investment Funds

BRAM intends to manage each Fund pursuant to the investment strategy described in the confidential offering memorandum of the Fund (each, an "**Offering Memorandum**"). Prospective investors in a Fund should carefully read the Fund's Offering Memorandum and consult with their own counsel and advisers as to all matters concerning an investment in the Fund. As general partner of a Fund, BRAM will have the power and authority to manage the day-to-day, administrative, business and investment affairs of the Fund.

One or more of the Funds may be structured as a "fund of hedge funds" (each, a "**FOHF**"). As general partner of a FOHF and pursuant to the authority granted to BRAM in the Agreement of Limited Partnership ("**LPA**") of the FOHF, BRAM will select, on a discretionary basis, various other private investment fund managers or pooled investment vehicles, including without limitation, hedge funds (collectively, the "**Portfolio Funds**"), into which BRAM will invest the FOHF's capital. BRAM will seek to diversify the FOHF's capital investments by allocating capital to selected Portfolio Fund managers ("**Portfolio Fund Managers**") that employ various investment strategies, including but not limited to convertible arbitrage, merger arbitrage, capital structure arbitrage, equity long/short, long biased, equity market neutral, short biased, distressed, global macro, managed futures, and master limited partnerships. To the extent that FOHF assets are not allocated to Portfolio Funds, the FOHF may make direct investments in U.S. government obligations, money market accounts and/or other short-term debt securities.

Although BRAM will not typically provide tailored investment advisory services to the individual investors in a Fund, the general partner of a Fund may enter into side letter agreements with certain investors which may modify certain terms applicable to such investors' as well as such investors' rights or obligations under the Fund's LPA. Investors in a Fund may not impose restrictions on investing in certain securities or types of securities.

Separately Managed Accounts

BRAM will manage Accounts independently based on a determination of each Account Client's financial situation, needs and investment objective and pursuant to an investment advisory agreement with each Account Client, which may include certain investment restrictions imposed by Account Clients.

Registered Investment Companies

BRAM intends to manage each Investment Company pursuant to the investment strategy and restrictions described

in the prospectus of the Investment Company (each, a “*Prospectus*”). BRAM will not provide tailored investment advisory services to the individual investors in an Investment Company.

D. Wrap Fee Programs

BRAM does not participate in any wrap fee programs.

E. Assets Under Management

As of November 18, 2013, BRAM does not have any assets under management.

Item 5 Fees and CompensationPrivate Investment Funds**A. Types of Fees**

BRAM will be compensated for investment advisory services provided to a Fund by a fee based on the assets under management (“AUM”). Each Fund will pay BRAM a management fee equal to a percentage (generally, 2%) of the Fund’s total AUM. BRAM, in its discretion, may offer to waive, reduce or rebate the management fee, in whole or in part, for any investors in the Fund.

BRAM may also receive annual performance-based compensation in arrears equal to a percentage of the net capital appreciation (*i.e.*, capital appreciation less capital depreciation) of each investor’s account in a Fund. The performance-based compensation is payable only if, and to the extent that, the net capital appreciation of the investor’s account exceeds any net capital depreciation accumulated in prior years (as adjusted for withdrawals of capital). BRAM, in its discretion, may offer to waive, reduce or rebate the performance-based compensation, in whole or in part, for any investors in the Fund.

From time to time, a Client may purchase an interest in a Fund, provided that the sale or purchase is consistent with BRAM’s fiduciary obligations to the Fund and the other Client. Investors should be aware that, while BRAM endeavors at all times to act in the best interests of its Clients, BRAM’s receipt of compensation from the Fund and the other Client, and the contribution of additional capital by the other Client to the Fund may create potential conflicts of interest with respect to such transactions. In certain circumstances, BRAM may choose to reduce the advisory fees of the Fund with respect to the other Client by the amount of advisory fees paid by the other Client.

B. Payment Method

The management fee typically will be paid by each Fund on a monthly or quarterly basis in advance by deduction from each investor’s account in the Fund. The management fee will be pro-rated for assets held in an investor’s account for less than a full period.

The performance-based compensation, if any, is also typically paid by each Fund on an annual basis in arrears by deduction from each investor’s account in the Fund. If an investor withdraws all or a portion of its account in a Fund on a date other than at the end of a period, payment of the performance-based compensation will be made on the amount withdrawn for the period from the first day of the period to the date of withdrawal.

C. Other Fees and Expenses

Each Fund will pay all other expenses deemed necessary and desirable by BRAM, including all investment, administrative, and operating expenses incurred on behalf of the Fund. In addition to the fees payable to BRAM, each Fund will incur and pay certain charges imposed by third parties, including, but not limited to, the following:

- any sales or other taxes, fees or government charges, including tax and reporting charges, that may be assessed against the Fund;
- interest charges, fees and expenses incurred in the borrowing and lending of securities;
- brokerage commissions, brokerage fees, transaction charges, and similar charges incurred in connection with the purchase or sale of securities;
- costs and expenses incurred in investigating, developing, negotiating, structuring, settling, monitoring and holding portfolio investments (whether or not consummated), including travel, external legal, tax, accounting expenses, compliance administrative fees, and audit fees and expenses, associated therewith;
- due diligence expenses, including travel, legal counsel, tax, audit, compliance, and consulting fees and

expenses, related to proposed investments or existing investments;

- governmental, registration, license and membership fees (including those payable to regulatory as well as self-regulatory organizations);
- costs and fees associated with the offer and sale of the interests of the Fund;
- market data costs;
- research-related expenses, including, without limitation, news and quotation equipment, software and services;
- the costs and expenses (including travel-related expenses) of holding meetings or conferences with a Fund's investors;
- costs and expenses incurred in connection with any threatened, pending, or anticipated litigation, examination, proceeding, regulatory matter or investigation;
- all expenses incurred as a result of the Fund's obligations to indemnify certain persons against losses, liabilities, and expenses incurred in connection with the performance of their duties of behalf of, or provision of services to, the Fund;
- expenses attributable to normal and extraordinary costs, expenses and charges associated with any investment banking, commercial banking, accounting, auditing, appraisal, valuation, tax advisory, tax preparation, legal, external consulting, custodial and registration services provided to the Fund;
- premiums for insurance, including liability insurance;
- costs of dissolving the Fund and liquidating its assets;
- costs and expenses for tax and audit services to the Fund;
- organizational expenses, including costs and expenses pertaining to the offering and sale of interests in the Fund, related legal payments and travel expenses;
- certain administrative expenses; and
- certain expenses related to regulatory filings.

Investors in a Fund should refer to the Fund's offering documents for complete information on the expenses payable by the Fund. Please see the discussion below in "*Item 12. Brokerage Practices*" for a description of the factors BRAM considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

BRAM, in its discretion as the general partner and investment manager of a Fund, may allocate and amortize the organizational expenses of the Fund (including expenses of the initial offer and sale of the Fund's interests).

In addition to the fees paid to BRAM, a FOHF may be required to pay management fees and performance-based compensation to Portfolio Fund Managers. The Portfolio Fund Managers will generally receive both management fees (generally, a percentage of allocated assets) and performance-based compensation (generally, a percentage of profits from the allocated assets). The type, amount, payment, manner of payment, timing of payment and the frequency of these fees is specific to each Portfolio Fund as disclosed in each Portfolio Fund's offering memorandum and/or governing documents. However, management fees generally will range between 1% and 3% per annum of the assets under management, and performance-based compensation generally will range between 20% and 30% of such Portfolio Fund's profits, generally calculated annually but in some cases more frequently. The actual fees charged by the Portfolio Fund Managers may be less than or in excess of these estimated ranges. The Portfolio Fund's management fees and potentially other fees will be paid by the FOHF, indirectly through its investment in a Portfolio Fund, to each Portfolio Fund Manager, regardless of whether such Portfolio Fund Manager generated returns and irrespective of the overall performance of the Portfolio Fund.

D. Refunds

To the extent a Fund pays the management fee in advance, if an investor in a Fund withdraws all or a portion of its account in the Fund on a date other than the end of a period, any unearned portion of the management fee (calculated from the date of withdrawal to the last day of the period) paid at the beginning of the period will be refunded by BRAM to the investor at the same time as the payment of withdrawal proceeds.

E. Sales Compensation

In its capacity as general partner and investment manager of a Fund, neither BRAM nor any of its supervised persons accepts compensation for the sale of securities or other investment products. However, BRAM's affiliates, their respective supervised persons (some of which may also be supervised person of BRAM) and/or their respective clients (including clients of B. Riley) may receive compensation and/or other transaction fees from investments by Clients into a Fund or another Client. These types of arrangements present potential conflicts of interest and provide the affiliate's supervised persons (and, in limited instances, BRAM's supervised persons) with an incentive to recommend investments based on compensation received rather than the best interests of the Fund or the other Client. However, such compensation and fees will be paid by BRAM and/or its affiliates and not the Fund or other Client.

Separately Managed Accounts***A. Types of Fees***

Fees paid to BRAM by Account Clients are negotiable and will vary. Fees will be set forth in BRAM's investment advisory agreement with each Account Client and determined based on the Client's needs, the complexity of the Client's investment objective and the number of portfolio restrictions.

Under BRAM's investment advisory agreement with an Account Client, BRAM may receive an annual management fee from the Account Client equal to a percentage, typically between 1% and 2%, of the fair market value of the AUM in the Account.

BRAM may also receive annual performance-based compensation in arrears equal to a percentage of the net capital appreciation (*i.e.*, capital appreciation less capital depreciation) of the assets held in the Account of a Client that is eligible to enter into a performance compensation arrangement under the Advisers Act. The performance-based compensation is payable only if, and to the extent that, the net capital appreciation of Account assets exceeds any net capital depreciation accumulated in prior years (as adjusted for withdrawals of capital).

B. Payment Method

The management fee, if any, typically will be paid on a monthly or quarterly basis in advance by deduction from the assets held in an Account. The management fee will be pro-rated for assets held in an Account for less than a full period.

The performance-based compensation, if any, is also typically paid on an annual basis in arrears by deduction from the assets held in the Account. If a Client terminates its investment advisory agreement on a date other than at the end of a period, payment of the performance-based compensation will be made on the net capital appreciation of Account assets for the period from the first day of the period to the date of termination.

C. Other Fees and Expenses

In addition to the management fee and performance-based compensation, if any, an Account Client is responsible for any fees, expenses or charges incurred by or on behalf of the Account related to (i) custodial services provided for the Account, (ii) transactions effected for the Account, including brokerage and execution charges, markups and commissions, and (iii) any other service provided for the Account by any person other than BRAM. Please see the discussion below in "Item 12. Brokerage Practices" for a description of brokerage and execution charges.

D. Refunds

To the extent an Account Client pays the management fee in advance, if the Account Client terminates its investment advisory agreement on a date other than the end of a period, any unearned portion of the management fee (calculated from the date the agreement is terminated to the last day of the period) paid at the beginning of the period will be refunded to the Client by BRAM at the same time as the payment of liquidated account assets.

E. Sales Compensation

Subject to applicable law, BRAM may employ solicitors, including B. Riley, to whom it will pay either a portion of the advisory fees received from Account Clients referred by such solicitors or cash at BRAM's own expense. In such cases, this arrangement will be disclosed in writing to the Account Client and BRAM will comply with any other applicable requirements under Rule 206(4)-3 under the Advisers Act. In particular, BRAM will ensure that each solicitor provides Account Clients with a current copy of BRAM's Form ADV brochure and the solicitor's written disclosure document.

Registered Investment Companies***A. Types of Fees***

The fees and compensation paid to BRAM by each Investment Company are described in the Investment Company's Prospectus. A copy of each Investment Company's Prospectus is available through the SEC's website at www.sec.gov/edgar/searchedgar/companysearch.html.

B. Payment Method

The fees and compensation paid to BRAM will be paid to BRAM by the Investment Company in accordance with BRAM's investment advisory agreement.

C. Other Fees and Expenses

In addition to the fees and compensation described above, an Investment Company investor will indirectly bear its *pro rata* share of the fees, expenses or charges described in the Investment Company's Prospectus. Such fees, expenses and charges include, but are not limited to, fees incurred for legal, audit and custodial services provided to the Investment Company and transactions effected for the Investment Company such as brokerage and execution charges, markups and commissions. Please see the discussion below in "*Item 12. Brokerage Practices*" for a description of brokerage and execution charges.

D. Refunds

Not applicable.

E. Sales Compensation

Neither BRAM nor any of its affiliates, including B. Riley, will receive any compensation in connection with the distribution of Investment Companies.

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

BRAM may receive performance-based compensation from certain Funds and certain Accounts. Fees based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Advisers Act. Performance-based compensation may create an incentive for BRAM to cause a Fund or Account to make investments that are riskier than it would otherwise make. In addition, since BRAM's performance-based compensation may be calculated on a basis which includes unrealized appreciation of the assets held by a Fund or in an Account, it may be greater than if such compensation were based solely on realized gains.

In the event that some Clients are charged performance-based compensation but not others, a conflict may arise where BRAM has an incentive to treat some Clients preferentially as compared to others because those Clients pay performance-based compensation or because BRAM or one of its portfolio managers or affiliates has an interest in the Client account. BRAM has adopted a policy to allocate portfolio transactions and investment opportunities across multiple Client accounts on a fair and equitable basis over time. All eligible Clients that can participate in a transaction share the same price on a *pro rata* allocation basis in an attempt to mitigate any conflict of interest. Investment opportunities are allocated among similarly managed Client portfolios to maintain consistency of portfolio strategy, taking into account cash availability, investment restrictions and guidelines, and portfolio composition.

Since management fees and performance-based compensation paid to BRAM are based on the net asset value of a Fund or Account, a conflict may also arise when BRAM or a related person is valuing the assets held by the Fund or in an Account. Assets will generally be valued at fair value by BRAM or its related person in accordance with U.S. generally accepted accounting principles ("*GAAP*").

BRAM may manage certain Client accounts on a side-by-side basis. Potential conflicts of interest may exist when BRAM buys or sells securities for multiple Client accounts. BRAM has adopted policies and procedures with the aim to ensure the fair and equitable treatment of all Client accounts managed side-by-side by BRAM.

BRAM's portfolio managers generally manage multiple portfolios for various Clients. When a portfolio manager manages more than one Client account, a potential conflict exists for the portfolio manager to intentionally or unintentionally treat one account more favorably than another. This potential conflict can be most apparent when one portfolio has a higher fee or a different fee structure than another portfolio, including performance-based compensation. Another potential conflict may arise if BRAM manages accounts of its principals and employees on a side-by-side basis with third-party Client accounts. BRAM has internal review policies and oversight to ensure that no one Client is intentionally or unintentionally favored at the expense of another.

Item 7 Types of ClientsPrivate Investment Funds

BRAM serves as investment adviser to the following Funds: BRC Emerging Managers Fund of Funds, LP, a Delaware limited partnership, and BRC Special Situations Fund, LP, a Delaware limited partnership.

BRAM generally requires investors in a Fund to make a minimum initial investment of at least \$500,000; however, BRAM may, in its sole discretion, accept lesser amounts or waive the minimum investment required. Investors in a Fund must be “*Accredited Investors*,” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the “*Securities Act*”), and, to the extent a Fund is charged performance-based compensation, investors in the Fund must be eligible to enter into a performance-based compensation arrangement under the Advisers Act. BRAM generally requires Fund investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in the Fund. The investor requirements may be waived by BRAM in its sole discretion.

Separately Managed Accounts

BRAM generally requires Account Clients to initially provide and maintain a minimum of \$500,000 in assets under management. However, the Account minimum may be waived by BRAM in its sole discretion. To the extent an Account is charged performance-based compensation, the Account Client must be eligible to enter into a performance-based compensation arrangement under the Advisers Act.

Registered Investment Companies

BRAM serves as the investment manager to the following registered investment company: B. Riley Diversified Equity Fund, a series of the World Funds Trust, a Delaware statutory trust.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**A. Methods of Analysis and Investment Strategies**Investment Analysis and Strategies (non-FOHF)

Investments for each Client are identified and selected by BRAM. The cornerstone of BRAM's investment process is a disciplined investment approach characterized by fundamental (bottom-up) analytical research of individual stocks. BRAM's analysis of possible investments generally includes an analysis of financial and accounting information about the company available to BRAM, management inquiries and industry studies. BRAM also analyzes the corporate governance and related legal issues of a company. BRAM's core investment thesis is that by focusing on select small-capitalization companies, a sector which BRAM has substantial knowledge accumulated over a number of years, BRAM will be able to quickly identify business trends or opportunities to narrow valuation gaps that will facilitate opportunistic investing. BRAM may take an activist approach with respect to an investment to encourage the company's management to make operational or financial changes to unlock value in the company. BRAM may also invest a portion of a Client's assets in private placement or otherwise illiquid securities, including by acquiring all or a control position in a company through an acquisition or otherwise. BRAM believes that its Clients can benefit from proper diversification of risk while maintaining a discipline of individual stock selection based on a systematic identification process.

Investment in securities involves risk of loss that investors in a Fund or Investment Company or Account Clients should be prepared to bear. There can be no assurance that a Client's investment strategies will be achieved. Further, many of the investment techniques and activities described above are high risk activities that could result in substantial losses under certain circumstances.

Investors in a Fund or Investment Company are requested to refer to the governing documents of the applicable Fund or Investment Company for more complete information on investment strategies employed and the corresponding risks associated with such investment strategies. While BRAM intends to manage each Fund and Investment Company pursuant to the investment strategy described in the offering documents of the applicable Fund or Investment Company, BRAM has wide latitude to act upon any investment strategy or to change any investment strategy to achieve the investment objective of the Fund or Investment Company, all without obtaining the consent of investors. Prospective investors should carefully read the offering documents of the applicable Fund or Investment Company and consult with their own counsel and advisers as to all matters concerning an investment in the Fund or Investment Company.

Investment Analysis and Strategies (FOHF)

BRAM, as general partner of a FOHF, will seek to diversify the FOHF's capital investments by allocating capital to a select group of emerging private investment fund managers, including hedge fund managers, that employ various investment strategies, including but not limited to convertible arbitrage, merger arbitrage, capital structure arbitrage, equity long/short, long biased, equity market neutral, short biased, distressed, global macro, managed futures, and master limited partnerships. BRAM seeks to achieve consistent returns by identifying, researching and, in some cases, partnering with, premier emerging fund managers and by conducting due diligence on each Portfolio Fund. BRAM intends to identify and allocate capital to emerging managers of funds that focus on achieving superior returns with low correlation to the market. BRAM intends to diversify the FOHF's investments by allocating capital to managers employing various investment styles including industry sector specialties, market capitalization and differences in investment time horizons. Notwithstanding the foregoing, the FOHF does not follow a rigid investment policy and is not restricted from participating in any market, strategy or investment. BRAM reserves the right to modify and adjust its investment program as may be necessary. Accordingly, the FOHF's assets may be allocated among whatever investment strategies BRAM, as the general partner, considers appropriate under prevailing market conditions. The FOHF may not be widely diversified among Portfolio Funds and among investment strategies.

BRAM manages and constructs a FOHF's investment strategy by first developing a thematic view of the markets by analyzing economic trends, investor psychology and market fundamentals and use this "big-picture" view to serve

as a basis for Portfolio Fund manager allocations. BRAM will generally identify equity fund managers with track records of uncovering companies that are mispriced or misunderstood in the market while focusing on capital preservation in abnormal markets. BRAM will, in its discretion, also allocate the FOHF's capital to emerging fund managers with no prior fund management experience or track record. BRAM will leverage contacts in the industry, consultants, vendors, capital introduction/third party marketers, brokers/prime brokers, investors and other hedge funds to identify emerging equity fund managers.

Once acceptable Portfolio Fund managers have been identified, BRAM will generally allocate a majority of a FOHF's assets to "core managers". "Tactical allocations" will be considered for the remaining portion of the FOHF's assets. The FOHF's "core managers" will generally consist of managers who demonstrate less volatile returns and greater diversification of positions. The "core managers" styles may include value investors, income-based funds and market-neutral strategies. Portfolio Fund Managers that may be selected for "tactical allocations" may have greater position concentration, slightly higher volatility and longer investment duration. Portfolio Fund Managers that may be selected for a "tactical allocation" may pursue aggressive growth, activist and special situation strategies. By combining selected "core managers" and "tactical allocations," BRAM intends to mitigate tail risk and attempt to provide investors with steady returns regardless of the performance of the broader markets.

BRAM believes that the utilization of a diverse group of Portfolio Funds will help minimize overall risk to a FOHF while maximizing the ability to achieve the consistent realization of the FOHF's investment objective over time. The FOHF does not intend to employ debt or margin in purchasing interests in Portfolio Funds. The Portfolio Fund managers may, however, employ debt or other forms of financial leverage, which may have a material impact on the FOHF's performance.

Investing in securities involves a risk of loss that investors in a FOHF should be prepared to bear. There can be no assurance that a FOHF will be able to make and realize any particular investment or generate returns. Investors in a FOHF should carefully consider, among other factors, the following material risks involved with BRAM's investment strategies.

Investors in a FOHF are requested to refer to the offering documents of the applicable FOHF for more complete information on investment strategies employed and the corresponding risks associated with such investment strategies. While BRAM intends to manage each FOHF pursuant to the investment strategy described in the offering documents of the applicable FOHF, BRAM has wide latitude to act upon any investment strategy or to change any investment strategy to achieve the investment objective of the FOHF, all without obtaining the consent of investors. Prospective investors should carefully read the offering documents of the applicable FOHF and consult with their own counsel and advisers as to all matters concerning an investment in the FOHF.

B. Material Risks Associated Investment Strategies and Portfolio Investments

Investment Strategy Risks

Acquiring interests in the Funds (including the FOHFs) or the Investment Companies and/or opening an Account with BRAM is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with BRAM and can accept a potential loss of their entire investment. Investment risks specific to the investment strategy of each Fund (including each FOHF) are described in the Offering Memorandum of the Fund, investment risks specific to the investment strategy of each Investment Company are described in the Prospectus of the Investment Company and risks specific to any investment strategy employed BRAM in managing an Account will be explained to the Client prior to the opening of the Account. Such risks may include (but are not limited to) the following.

Concentration. Client accounts may hold a relatively small number of securities. Losses incurred in such securities could have a disproportionate effect on the account's overall financial condition.

Portfolio Management. The performance of a Client account depends on the skill of BRAM and its portfolio manager(s) in making appropriate investment decisions.

Leverage. The use of leverage by buying securities on margin or use of certain derivatives is a speculative

technique that involves special risk considerations. Interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Interest on borrowings will be an expense of a Client account and will affect the investment performance of the account. To the extent a Client account is leveraged, the value of its assets will tend to increase more when its portfolio securities increase in value, and to decrease more when its portfolio securities decrease in value, than if its assets were not leveraged.

Activist Investing. There can be no assurance that the management of any company in which a Client invests will agree or acquiesce to BRAM's involvement in the affairs of the company, or that the strategies that BRAM hopes to implement will be effective. Portfolio companies may be hostile to BRAM's activities and may respond to BRAM's proposals by litigation or other defensive measures. Such measures may adversely affect the value of a Client's investment and may result in high transaction expenses, particularly if BRAM resorts to measures to protect the value of a Client's investment that involve litigation or shareholder governance activities.

Short Selling. Short sales that are not part of a hedging strategy are speculative and involve special risk considerations. Since a short seller in effect profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, returns will tend to increase more when the securities sold short decrease in value, and to decrease more when the securities sold short increase in value, than would otherwise be the case if the short seller had not engaged in such short sales. Short sales theoretically involve unlimited loss potential as the market price of securities sold short may continuously increase.

Portfolio Turnover. Buying and selling securities generally involves some expense to a Client account, such as commissions and other transaction costs. Generally, the higher an account's portfolio turnover, the greater its brokerage costs and the greater the likelihood that it will realize taxable capital gains. Increased brokerage costs may adversely affect an account's performance. The advisory activities of each Client, absent an express investment restriction, may involve a high level of trading, which would generate substantial transaction costs.

Highly Volatile Markets. The prices of investments held by a Client account can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts in which BRAM may invest Client assets are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Hedging Strategies. Special risks are associated with the use of options, futures contracts and swaps as hedging techniques, including fluctuations in the volatility of the underlying security, fluctuations in prevailing interest rate and a lack of correlation between price movements in the hedging vehicle and in the portfolio securities being hedged which may result in a loss on both the hedged securities and the hedging vehicle. In addition, a decision as to whether, when and how to use a particular hedging strategy involves the exercise of skill and judgment which are different from those needed to select portfolio securities, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. If BRAM is incorrect in its forecasts relating to a hedge, a Client may be in a worse position than if BRAM had not engaged in the hedging transaction. The potential loss incurred by a Client in swaps, futures and writing options on futures is unlimited. There can be no assurance that a liquid market will exist at a time when BRAM, on behalf of a Client, seeks to close out an option position or futures or swap contract.

Dependence on Key Personnel. The success of a Client account will be highly dependent on the expertise and performance of BRAM's senior investment professionals. There can be no assurance that these senior investment professionals will continue to be associated with BRAM or any of its affiliates throughout the life of a Fund or Investment Company or during the term of the investment advisory agreement with an Account Client, as they are under no contractual obligation to remain with the BRAM or any of their affiliates for any specified period of time. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of BRAM as well as the Client accounts.

No Assurance of Investment Return. BRAM cannot provide assurance that it will be able to choose, make or realize investments for a Client account in any particular company or portfolio of companies. There can be no assurance that a Client account will be able to generate returns for its investors or that the returns will be

commensurate with the risks of investing in the types of companies and transactions described herein. The marketability and value of any such investment will depend upon many factors beyond the control of BRAM. The expenses of a Client account may exceed its income.

Macroeconomic Factors. The performance of a Client account's investments could be adversely affected by macroeconomic factors, including general economic conditions affecting capital markets and participants therein (such as the obligations on or issuers of the Client's investments). Such macroeconomic factors include (i) the economic downturns and uncertainties affecting economies and capital markets worldwide, (ii) continuing military conflicts, incidents of terrorism and domestic unrest occurring outside the United States and other consequences thereof and similar events, (iii) concerns about financial performance, accounting and other issues relating to various companies and (iv) recent and proposed changes to laws and regulations affecting the financial industry, including those related to banking, credit default swaps and other derivatives, mortgage lending, accounting and reporting standards and other exogenous factors in general.

Foreign Investments. Investments may be made in non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the United States. Such investments require consideration of certain risks not typically associated with investing in United States securities or property. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the United States or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Small to Medium Cap Stocks. Client accounts 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.

Debt Securities. Client accounts may invest in unrated or low grade debt securities which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Client accounts may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. Client accounts may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Special Investment Strategy Risks for Funds

Restrictions on Transfers and Withdrawals – The Lock-Up Period. An investment in a Fund provides limited liquidity since the interests in the Fund are not freely transferable and investors have limited rights of withdrawal. In particular, capital contributions may be subject to a one (1) year lock-up period or longer. An investment in a Fund is suitable only for sophisticated investors who have no need for more immediate liquidity in this investment.

Restrictions on Transfers and Withdrawals – Suspension of Withdrawals. The right of any investor to withdraw monies from a Fund is subject to (i) the provision by the Fund's general partner for (a) Fund liabilities in accordance with GAAP and (b) reserves for contingencies; and (ii) if the Fund is a FOHF, the limitation on or suspension of the FOHF's ability to withdraw capital from the Portfolio Funds. In addition, the general partner of a Fund may, in its sole discretion during the existence of any state of affairs that, in its opinion, make the determination that the price, value or disposition of the Fund's investments is impractical or prejudicial to the non-withdrawing investors.

Business and Regulatory Risks of Investment Funds. Legal, tax and regulatory changes could occur during the term of a Fund (including a FOHF) that may adversely affect the Fund, the general partner of a Fund and/or the Portfolio Funds, as applicable. The regulatory environment for private investment fund, including hedge funds and hedge fund of funds, is evolving, and changes in the regulation of these funds may adversely affect the value of investments held by the Fund and/or Portfolio Funds. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory

organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on a Fund could be substantial and adverse.

An investment in a Fund is speculative, and prospective investors should be aware that an investment in a Fund involves a high degree of risk. Accordingly, prospective investors should carefully consider the risk factors in this Brochure and the information in a Fund's offering documents. The foregoing summary does not purport to be a complete explanation of the terms, conditions and corresponding risks associated with an investment in a Fund, and is qualified in its entirety by a Fund's offering documents and related offering materials referenced therein. Prospective investors should read all of a Fund's offering documents relating to investing with BRAM.

Special Investment Strategy Risks for FOHFs

Conflicts of Interests in Allocating to Portfolio Funds. BRAM will determine the allocation of assets to the Portfolio Funds on whatever basis it deems appropriate. Such allocations may be made to Portfolio Funds with which BRAM, or its affiliated entities, has other business dealings and may create either an incentive or a disincentive for BRAM to reduce or eliminate the allocation to such Portfolio Fund.

Investments in Portfolio Funds. Investing in a FOHFs presents certain risks that are not present in a direct investment in a Portfolio Fund or similar hedge fund including, but not limited to, multiple layers of expenses and fees, the lack of control over the Portfolio Funds by the general partner of the FOHF, the FOHF's reliance on the managers of Portfolio Funds for the FOHF's calculation of net asset value, the possibility of total failure of a Portfolio Fund, and the possibility of the suspension of an investor's right to withdraw from the FOHF as a result of a Portfolio Fund's suspension of its investor's right to withdraw therefrom. These and other risks of FOHF investing are discussed in more detail below and in the applicable FOHF's Offering Memorandum.

Historical Performance of Portfolio Funds. The governing documents of a FOHF may provide that the FOHF's investors may receive information regarding the nature and identity of Portfolio Funds. Prospective investors are advised that the historical performance, if any, of any Portfolio Fund is not indicative of the future performance of those Portfolio Funds or the FOHF, nor may such historical performance be considered as a prediction or projection of the potential or future performance of the FOHF. Past performance is not an indicator of future results. The historical performance of the Portfolio Funds may not be considered as a substitute for the FOHF's and BRAM's lack of performance and operating history. Investing in a FOHF entails certain unique risks that must also be considered before investing. No assurance can be given that a FOHF will be successful in obtaining suitable Portfolio Fund investments or that, if the allocations to Portfolio Funds are made, the objectives of the FOHF will be achieved. Investors in a FOHF are advised that investing in securities involves risk of loss that investors should be prepared to bear.

Failure of a Portfolio Fund. Although BRAM will carefully select the Portfolio Funds, it is possible a FOHF could lose all or a portion of its investment in a particular Portfolio Fund because of financial irregularities or trading losses. There are no requirements as to concentration or diversification imposed on BRAM with respect to the allocation of assets between and among Portfolio Funds, although a FOHF may intend to invest in a relatively diverse portfolio of Portfolio Funds. No assurance can be given that the failure of one or more Portfolio Funds will not have a material adverse effect on a FOHF's overall performance.

Multiple Layers of Fees and Expenses. The management fee payable to BRAM will be in addition to the amounts indirectly payable by a FOHF as a limited partner to the Portfolio Fund Managers of the Portfolio Funds for fees, expense reimbursements and carried interests (*i.e.*, incentive allocations) with respect to such Portfolio Funds. Because of these multiple layers of expenses, a higher gross return will be required to be earned on the individual investment strategies being employed than an investor would need to realize if such allocations were undertaken on their own in order to achieve an equivalent return. A FOHF will be subject to management and performance-based allocations by its Portfolio Funds even if the FOHF's overall returns are negative.

Lack of Management Control Over the Portfolio Funds. BRAM will not have the right to participate in the

management, control or operation of the Portfolio Funds or to remove the Portfolio Fund Managers thereof. In addition, a FOHF may have limited opportunities to evaluate the relevant economic, financial and other information that will be utilized by the Portfolio Funds in their selection, structuring, monitoring and disposition of investments. BRAM's lack of control may also limit its ability to ensure that a Portfolio Fund Manager remains focused and consistent with its stated investment strategy. As a result, BRAM will be unable to prevent, restrict or control a Portfolio Fund Manager's deviation from the Portfolio Fund's investment strategy or "*style drift*" and any losses resulting therefrom. The lack of control experienced by BRAM could result in substantial losses that might otherwise be avoidable at the Portfolio Fund level which, in turn, could have a material adverse impact on the performance of a FOHF.

Emerging Manager Risk. A FOHF's investment program may be focused on allocating FOHF capital to a select group of new or emerging Portfolio Fund Managers. BRAM may allocate to a new or emerging manager with little or no prior history of performance or experience in managing a fund. Certain Portfolio Funds may have a limited operating history on which BRAM can evaluate the potential performance of the Portfolio Fund. Further, due to lack of experience, new and emerging Portfolio Fund Managers may be more likely to deviate from the Portfolio Fund's stated investment strategy or be unable to accurately or adequately evaluate and manage the risks associated therewith. There can be no assurance that BRAM will be able to successfully identify emerging Portfolio Fund Managers that will be appropriate for a FOHF's investment strategy and objective or that will be able to achieve or sustain profitability.

Risk Management Control Issues. Portfolio Fund Managers may use proprietary investment strategies that are not fully disclosed to BRAM. These strategies may involve risks under certain market conditions that have not been anticipated by BRAM. A FOHF's inability to control the frequency, quantity or quality of information obtained from Portfolio Funds regarding their investment portfolios may make it difficult or impossible for BRAM to implement its risk management strategies as intended. There can be no assurance or guarantee that a FOHF will be profitable even if BRAM is able to implement its risk management strategies as intended.

Withdrawal of Fund Capital from Portfolio Funds. A FOHF will likely be subject to significant withdrawal restrictions imposed by each of its Portfolio Funds. As a result, investors in a FOHF will also be subject to significant withdrawal restrictions imposed by BRAM as a direct result of the FOHF's inability to withdraw capital from the Portfolio Funds and/or the restrictions imposed by such Portfolio Funds. Therefore, in certain circumstances, BRAM may not be permitted to withdraw invested FOHF assets from a particular Portfolio Fund at a time which would be most advantageous to the FOHF or at a time in which withdrawals are permitted under the terms of the FOHF's LPA. In this regard, BRAM has the right to suspend in whole or in part, certain withdrawal rights of the investors to the extent the FOHF is unable to obtain liquidity from its investments in one or more of the Portfolio Funds. Restrictions on withdrawals at the level of the individual Portfolio Funds could have a material adverse effect on a FOHF, as well as the ability of investors to liquidate their investments in the FOHF during permitted withdrawal periods.

Calculation of Net Asset Value. BRAM's ability to assess the accuracy of the valuation of a FOHF's portfolio of Portfolio Funds is limited because the FOHF will not always have access to current information regarding the composition of the Portfolio Funds' portfolios. The net asset values received by BRAM from the Portfolio Funds will typically be estimates only, subject to revision through the end of the annual audit for such Portfolio Funds. In addition, should a Portfolio Fund suspend withdrawals, allocate to a side pocket or otherwise suspend or delay calculation of its net asset value for any reason, a FOHF will be unable to calculate its own net asset value. Any such occurrence may cause delays in the filing of the FOHF's and the investors' tax returns. Revisions to a FOHF's gain and loss calculations will be an ongoing process, and no net capital appreciation or depreciation figure can be considered final until the FOHF's annual audit is completed.

The FOHFs and the Portfolio Funds Are Not Registered Under the Investment Company Act of 1940. Neither the FOHFs nor the Portfolio Funds currently selected by BRAM, are registered under the Investment Company Act and thus are (i) different in many ways from open-end investment companies ("*Mutual Funds*") so registered and (ii) not subject to the provisions of the Investment Company Act designed for investor protection. While BRAM currently anticipates investing in unregistered Portfolio Funds, the General Partner may in the future elect to invest a portion of a FOHF's capital in registered funds (*i.e.*, Mutual Funds).

Turnover. Portfolio Funds may invest on the basis of certain short-term market considerations. The turnover rate within the Portfolio Funds could be significant, potentially involving substantial brokerage commissions, fees and other transaction costs. A FOHF has no control over this turnover. In addition, the withdrawal of a FOHF from a Portfolio Fund could also involve expense to the FOHF under the terms of the FOHF's subscription with the Portfolio Fund. Frequent trading of securities by a Portfolio Fund Manager can negatively impact the investment performance of a Portfolio Fund, and therefore, as a result, the investment performance of the FOHF, particularly through increased brokerage commissions and other transaction costs and taxes.

Portfolio Fund Manager Misconduct or Bad Judgment. It will be difficult, and likely impossible, for a FOHF's general partner to protect the FOHF from the risk of Portfolio Fund Manager fraud, misrepresentation or material strategy alteration. The Portfolio Funds generally are private and have not registered their securities or investment adviser operations under federal or State laws.

Dependence on Key Principals of Portfolio Fund Managers. Some of the Portfolio Fund Managers to whom a FOHF may allocate capital may consist of only one or a limited number of principals. If the services of any of such principals became unavailable, the FOHF might sustain losses.

Trading Strategies May Not Be Successful. There can be no assurance that any of the trading strategies used by the Portfolio Funds in which a FOHF is invested will produce profitable results, and the past performance of the business ventures or investment funds managed by affiliates of BRAM, the Portfolio Funds and the Portfolio Fund Managers into which a FOHF will invest are not indicative of the future profitability of the FOHF or the Portfolio Funds. Profitable investing is often dependent on anticipating trends or trading patterns. In addition, markets experiencing random price fluctuations, rather than defined trends or patterns, may generate a series of losing trades. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur. Any factor that may lessen major price trends (such as governmental controls affecting the markets) may reduce the prospect for future trading profitability. Any factor which would make it difficult to execute trades, such as reduced liquidity or extreme market developments resulting in prices moving the maximum amount allowed in a single day could also be detrimental to profits or cause losses. Increases in margin levels on securities may occur in the future. Such increased margin and other potential regulatory changes may adversely impact the trading strategies. No assurance can be given that the trading techniques and strategies employed by the Portfolio Fund Managers will be profitable in the future or will be able to avoid incurring substantial losses.

Risk of Litigation. The Portfolio Fund Managers selected by a FOHF might become involved in litigation as a result of investments made by Portfolio Funds. Under such circumstances, the FOHF could be named as a defendant in a lawsuit (including but not limited to claw-back actions) or regulatory action.

Misuse of Confidential Information. In trading public securities, there are consequences for trading on insider information, and the BRAM expects that Portfolio Fund Managers will use only public information. Portfolio Fund Managers may be charged with misuse of confidential information. If that were the case, the performance records of these Portfolio Fund Managers could be misleading. Furthermore, if a Portfolio Fund Manager or entity with which a FOHF invests has engaged in the past or engages in the future in such misuse, the FOHF could be exposed to losses, fines, and penalties.

Other Clients of the Portfolio Fund Managers. The Portfolio Fund Managers utilized by a FOHF have responsibility for investing the funds allocated to them. The Portfolio Fund Managers also manage other accounts (including other accounts in which the Portfolio Fund Managers may have an interest) and may have financial and other incentives to favor such accounts over the Portfolio Fund in which the FOHF is an investor. When investing on behalf of other clients, as well as the Portfolio Fund, Portfolio Fund Managers must allocate their resources, as well as limited market opportunities. Doing so not only could increase the level of competition for the same trades the Portfolio Fund might otherwise make, including the priorities of order entry, but also could make it difficult or impossible to take or liquidate a particular position at a price indicated by a Portfolio Fund Manager's strategy.

Availability of Portfolio Funds. A number of the Portfolio Funds in which a FOHF may seek to invest may significantly limit investor access due to investor demand exceeding Portfolio Fund size or capacity, or for other reasons. These Portfolio Funds may include funds which may be included in other investment products or accounts managed by BRAM. There can be no assurance that a FOHF will be permitted to invest, or to invest as much as

BRAM would otherwise recommend, in each Portfolio Fund in which it may seek to invest, and any such failure to gain admittance to, or to be permitted to invest as much as BRAM would recommend in, one or more such Portfolio Funds could adversely affect the investment performance of the FOHF. Although BRAM may obtain an agreement from a Portfolio Fund Manager to keep a certain amount of “*capacity*” available to BRAM, BRAM may not be able to make all of that capacity available to a FOHF.

Changes in Allocations. BRAM expects from time to time to change the percentage of a FOHF’s assets allocated to each Portfolio Fund, as well as to terminate and retain new Portfolio Fund Managers from time to time. These changes will be made in BRAM’s discretion. A FOHF’s success will depend on BRAM’s ability to identify and allocate the FOHF’s assets among new and existing Portfolio Funds.

Valuations. BRAM will be required to rely on the Portfolio Fund Managers’ valuations of a FOHF’s investments in their respective Portfolio Funds. Portfolio Fund Managers, from time to time, revise their valuations and valuation methods, sometimes materially. Investments for which market quotations are not available will be valued by BRAM at such values as it may reasonably determine and may not be independently valued or verified by a third party. Such valuations may affect the amount of the management fees paid to BRAM.

Withdrawal Date Valuation of Portfolio Funds Without Corresponding Withdrawal Rights. When interests in a FOHF are withdrawn, the withdrawal value will reflect, among other things, the net asset values of the FOHF’s investments in Portfolio Funds as of the withdrawal date. However, certain Portfolio Funds may not permit the FOHF itself to make the same withdrawals as investors in the FOHF may make from the FOHF. The FOHF will bear the risk of any declines, as well as have the profit potential of any increases, in the net asset value of its existing investments in such Portfolio Funds from the date as of which a withdrawing investor’s capital account is valued until the FOHF is itself able to withdraw capital from such Portfolio Funds to reflect such withdrawal.

C. Portfolio Investment Risks

Except with respect to FOHFs, BRAM generally provides investment advice to Clients on a wide variety of U.S. and foreign investment products, but does not invest in any particular type of investment product (absent an express investment guideline in a Fund’s Offering Memorandum, an Investment Company’s Prospectus or an investment advisory agreement with an Account Client). Risks specific to the types of investments that a Client may hold in its portfolio may include (but are not limited to):

Equity Securities. By investing in stocks, BRAM may expose a Client account to a sudden decline in the share price or to an overall decline in the stock market. The value of investments held in a Client account will fluctuate daily and cyclically based on changes in the issuer’s financial condition and prospects and on overall market and economic conditions.

Fixed Income Securities. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions of an issuer’s creditworthiness. Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with lower rated securities more volatile than higher rated securities. The duration of these securities affects risk as well, with longer term securities generally more volatile than shorter term securities.

Small-Cap Companies. Investments in small-cap companies may involve greater risks than investments in larger, more established companies, such as limited product lines, distribution channels and financial and managerial resources. The securities of small-cap companies may have greater price volatility and less liquidity than the securities of larger capitalized companies, and may be more difficult to value.

Preferred Securities. Preferred securities offers a stated dividend rate payable from a corporation’s earning, which may be cumulative or non-cumulative, participating, or auction rate. If interest rates rise, the fixed dividend on preferred securities may be less attractive, causing the prices to decline. Preferred securities may have mandatory sinking fund provisions and call/redemption provisions prior to maturity, a negative feature when interest rates decline. Preferred securities are generally subordinate to the rights associated with an issuer’s debt securities in terms of priority to corporate income and liquidation payments, and therefore are subject to greater credit risk than more senior debt instruments. Preferred securities may be substantially less liquid than many other securities.

Convertible Securities. Like other fixed income securities, the market value of a convertible debt security tends to

vary inversely with the level of interest rates. A convertible security may be subject to redemption at the option of the issuer at a price established in the instrument governing the convertible security. If a convertible security held by a Client is called for redemption, the Client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party.

Foreign Securities. Foreign investments tend to be more volatile than U.S. securities, and are subject to risks that are not typically associated with U.S. securities. For example, such investments may be adversely affected by changes in currency rates and exchange control regulations, unfavorable political, social and economic developments and the possibility of seizure or nationalization of companies or imposition of withholding taxes on income. Moreover, less information may be publicly available concerning certain foreign issuers than is available concerning U.S. companies. Foreign markets tend to be more volatile than the U.S. market due to economic and political instability, social unrest and regulatory conditions in some countries.

Exchange-Traded Funds (“ETFs”). The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including the risk that their prices may not correlate perfectly with changes in the underlying index, and the risk of possible trading halts. A sector ETF may also be adversely affected by the performance of that specific sector or group of industries on which it is based. To the extent a Client invests in leveraged ETFs, the value of a leveraged ETF will tend to increase more when its underlying index increases in value, and to decrease more when its underlying index decreases in value, than if the ETF was not leveraged.

Swap Agreements. BRAM may enter into equity, debt, interest rate, index, currency rate, total return and other types of swap agreements on behalf of a Client. Depending on their structure, swap agreements may increase or decrease a Client’s exposure to long-term or short-term interest rates (in the United States or abroad), foreign currency values, mortgage securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates. In addition, if a counterparty’s creditworthiness declines, the value of a swap agreement would be likely to decline, potentially resulting in losses.

Emerging Market Securities. Many of the risks with respect to foreign investments are more pronounced for investments in developing or emerging market countries, which include several countries in Asia, Latin America, Eastern Europe, Africa, and the Middle East. The economies of many of these countries depend heavily upon international trade and are therefore significantly affected by protective trade barriers and economic conditions of their trading partners. Many of these countries may also have government exchange controls, currencies with no recognizable market value relative to the established currencies of developed market economies, little or no experience in trading in securities, no financial reporting standards, a lack of a banking or securities infrastructure, and a legal tradition which does not recognize rights in private property.

High Yield Bonds. Fixed income securities that are below investment grade or unrated involve greater risks of default and are more volatile than investment grade securities. High yield bonds involve a greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer’s creditworthiness. In addition, issuers of high yield bonds may be more susceptible than other issuers to economic downturns, which may result in a weakened capacity of the issuer to make principal or interest payments. High yield bonds are subject to a greater risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity.

Derivatives. Derivatives involve the risks separate from the risks of the underlying instrument, including improper valuation and ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying instrument. Derivatives are also subject to other risks, such as the risk of an illiquid secondary market which may result in significant, rapid, and unpredictable changes in the prices for such derivatives, risks relating to the financial soundness and credit worthiness of the counterparty, and the risk of the failure of any of the exchanges on which a Client account’s positions trade or of their clearinghouses. The use of a derivative is speculative if BRAM is primarily seeking to enhance returns, rather than offset the risk of other positions. When BRAM invests Client assets in derivatives for speculative purposes, the Client account will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the cost of the derivative.

Illiquid Investments. Investments in private companies or securities that are thinly traded or subject to transfer restrictions generally will be difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. No assurance can be given that any illiquid investment will be ever eligible to be

traded on a public market. It is highly speculative as to whether and when an illiquid investment will be able to be liquidated.

Investments in Financially Distressed Companies. Investing in assets or liabilities of companies that are, or appear to be, in financial distress or emerging from financial distress, including companies that have undergone, are undergoing or are likely to undergo major restructurings or bankruptcy reorganizations involves a high degree of risk. At times there is very limited liquidity in such securities. Realization of capital appreciation may depend on the successful implementation of reorganization plans and such an investment will also involve a high degree of “control risk.” Generally, BRAM will not be in a position to control the pace or outcome of any restructurings or reorganization. Discretionary bankruptcy classifications, limitations on trading in claims, litigation, delays and other unpredictable events may significantly reduce the value of an investment regardless of BRAM’s accuracy as to the underlying value of the enterprise. Litigating any lawsuit or serving on equity or creditors’ committees may be costly, consume significant time and attention and can also restrict the Client account from trading securities or claims related to the insolvency or impose additional duties on BRAM.

Commodities. A Client account’s exposure to commodities markets may subject the account to greater volatility than investments in traditional securities. The value of commodity-related instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or risks affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Real Estate-Related Investments. Because BRAM may invest a portion of Client assets directly or indirectly in companies principally engaged in the real estate industry and other real estate-related investments, an account’s performance may be linked to the performance of the real estate markets. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural or technological developments. Real estate companies are subject to legislative or regulatory changes, adverse market conditions and increased competition. The general performance of the real estate industry has historically been cyclical and particularly sensitive to economic downturns. Changes in prevailing real estate values, interest rates and changing demographics may affect the value of securities of issuers in the real estate industry.

Not all possible risks are described above. The foregoing summary does not purport to be a complete explanation of the terms and conditions associated with an investment with BRAM. Prospective investors should read all of the relevant offering documents, including all agreements referenced therein or attached thereto and any other such agreements related to investing with BRAM for more complete information on the investment strategies employed and the corresponding risks associated with such investment strategies.

INVESTORS IN A FUND SHOULD BE AWARE THAT THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL RISKS INVOLVED IN CONNECTION WITH AN INVESTMENT IN THE FUND OR A FOHF’S INVESTMENTS IN THE PORTFOLIO FUNDS. PROSPECTIVE INVESTORS SHOULD READ A FUND’S OFFERING DOCUMENTS, CONSULT WITH THEIR OWN LEGAL, TAX, ACCOUNTING, COMPLIANCE AND INVESTMENT ADVISERS AND SIMULTANEOUSLY CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE INVESTIGATION AND ANALYSIS REGARDING THE FUND, BRAM, THE PRINCIPALS OF BRAM, AND THE PORTFOLIO FUNDS BEFORE DETERMINING TO INVEST IN THE FUND.

Item 9 Disciplinary Information

- A. None.
- B. None.
- C. There are no material legal or disciplinary events in the past ten (10) years concerning BRAM or its management. In its capacity as a FINRA-registered broker-dealer, in matters unrelated to BRAM or BRAM's Clients, B. Riley has been the subject of certain administrative proceedings commenced by FINRA relating to certain rule violations pertaining to the operations of a broker-dealer that have resulted in the imposition of fines and other sanctions
 - 1. None.
 - 2. In 2009, B. Riley was censured and fined \$10,000 by FINRA for 19 transmissions to the Order Audit Trail System that contained inaccurate or incomplete data. In 2007, B. Riley and Knut Grevle, a principal of B. Riley, were censured and fined \$265,000 by FINRA for various order reporting errors and omissions, inadequate enforcement of written supervisory procedures and failure to register a person acting as a principal. A portion of this fee was paid by B. Riley's Order Management System provider as a result of system deficiencies which contributed to the aforementioned errors and omissions. In 2003, B. Riley was censured and fined \$2,000 for failing to make publicly available a report of routing orders in covered securities. In 2002, B. Riley was censured and fined \$13,500 for failing to properly report certain executions through the Automated Confirmation Transaction Service and failure to preserve certain order records. In 2001, B. Riley was censured and fined \$7,500 for insufficient supervisory systems and failure to report certain order data.

Item 10 Other Financial Industry Activities and Affiliations***BRAM's Ownership Structure and Affiliations; Conflicts of Interest***

The B. Riley family of companies includes a number of entities, related principally through common ownership. Clients should be aware that BRAM, B. Riley, and certain entities owned or controlled by or affiliated therewith (including BRAM-NC, LLC, which is the general partner to one or more Funds, Riley Investment Management, LLC, which is an investment adviser registered with the State of California, and Riley Investment Partners, LP, which a private investment fund managed by Riley Investment Management, LLC) are, directly or indirectly, owned and controlled by Bryant R. Riley. Mr. Riley is the majority owner of B. Riley & Co., Inc., a holding company that owns B. Riley. Mr. Riley is also the majority owner of B. Riley & Co. Holdings, LLC, a holding company that owns BRAM, BRAM-NC, LLC, and Riley Investment Management, LLC, and, therefore, has the ability to influence the management and operation of Riley Investment Management, LLC, Riley Investment Partners, LP, and BRAM.

While all of the above-described B. Riley companies, including BRAM, generally operate independently from B. Riley, each of these entities utilize, to varying extents, B. Riley's infrastructure, office space, administrative and executive employees, and resources. Certain resources are shared among BRAM, B. Riley, BRAM-NC, LLC, Riley Investment Management, LLC, Riley Investment Partners, LP and their respective affiliates, which are provided by B. Riley but may or may not be reimbursed.

BRAM intends to engage B. Riley to effectuate its Clients' trading and investment activities, to act as placement agent in connection with the sale and distribution of interests in the Funds, and to utilize B. Riley's research reports which are generally published on a regular basis.

Subject always to BRAM's duty and policy to obtain the best execution of its Clients' transactions, BRAM intends to direct substantially all of the Clients' brokerage transactions to B. Riley. Further, B. Riley may make a market in the securities in which BRAM recommends one or more of its Clients should invest. In executing trades for a Client, B. Riley may charge the Client customary brokerage commissions or markups, fees and expenses in connection with the transaction. Consequently, B. Riley will share in a portion of the revenues normally and customarily generated by a broker-dealer from the securities transactions of the Clients. In relation to these activities, certain employees of BRAM are registered representatives of B. Riley. Although Clients may have accounts that trade at B. Riley, registered representatives that are also employees of BRAM will not receive any payment related to the execution of those trades.

BRAM has no obligation to effect any particular volume of transactions through B. Riley and BRAM must establish that the use of B. Riley is appropriate. In all cases in which portfolio securities transactions are directed to B. Riley (or to any other broker), BRAM will determine in good faith that the brokerage commissions or markups, fees and expenses charged in connection with such 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 BRAM's overall responsibilities to its Clients. BRAM expects that any brokerage commissions paid to B. Riley are among the lowest available consistent with best execution; however, BRAM is not required to select the broker or dealer that charges the lowest transaction cost in connection with executing trades for a Client. B. Riley has advised BRAM that such rates are the same, or lower, than those that it charges its other clients for similar services.

BRAM intends to utilize B. Riley as placement agent for one or more Funds and interests in the Funds may be recommended to BRAM's other Clients. In connection with B. Riley's role as placement agent to a Fund, B. Riley's registered representatives may be paid a commission or finder fees by BRAM out of BRAM's fees earned advising the Fund and/or other Clients. In addition to the Funds, B. Riley will refer related limited partnerships or limited liability companies sponsored/managed by BRAM to potential investors, and, as a result, may receive a portion of the administrative or management fees paid to BRAM. Additional information on referral arrangements with B. Riley and its other affiliates is in "*Item 14 Client Referrals and Other Compensation.*"

B. Riley, BRAM and investment adviser representatives of BRAM, as well as its other affiliates use or will use B. Riley's proprietary research, asset allocation and manager search information provided by BRAM. Information on

these services is in “*Item 4 Advisory Business.*” Research products or services provided to BRAM and/or its Clients by B. Riley may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other products or services (e.g., quotation equipment and computer-related costs and expenses) providing information to BRAM which enhances its investment decision-making performance. All investment advisory arrangements with related parties are conducted on an arm’s length basis so as to neither advantage nor disadvantage other Clients or BRAM’s related parties. In addition, BRAM and/or its Clients will receive copies of research products and/or services from B. Riley at the same time as B. Riley provides copies of such research products and/or services to other clients. BRAM and/or its Clients will not be given preferential access to such research products and/or services by B. Riley.

BRAM may recommend that certain Clients invest in securities of issuers with which B. Riley has an investment banking relationship or seeks to do business. Accordingly, B. Riley and/or its affiliates may receive compensation for investment banking services or other similar services from the issuers of securities in which BRAM recommends that one or more its Clients should invest. Therefore, BRAM could also have an incentive to recommend Clients invest in securities of issuers based on B. Riley’s investment banking relationship with such issuers. BRAM will not recommend that a Client invest in the securities of an issuer with which B. Riley has an investment banking relationship or seeks to do business unless BRAM has determined that such recommendation is in the best interests of the Client.

BRAM may recommend that the FOHF Client invest in a Portfolio Fund or with a Portfolio Fund Manager that is a brokerage client of B. Riley, in which case B. Riley and/or its affiliates will receive commissions from such Portfolio Fund or Portfolio Fund Manager. Therefore, BRAM could also have an incentive to recommend FOHF Clients invest in Portfolio Funds or with Portfolio Fund Managers based on B. Riley’s brokerage relationship with such Portfolio Funds or Portfolio Fund Managers. However, there is no obligation or requirement that the Portfolio Funds or Portfolio Fund Managers trade through B. Riley and there will be no expectation that a Portfolio Fund or a Portfolio Fund Manager trade through B. Riley as a result of BRAM recommending that a FOHF Client invest in such Portfolio Fund or with such a Portfolio Fund Manager. BRAM will not recommend that a FOHF Client invest in a Portfolio Fund or with a Portfolio Fund Manager with which B. Riley has a brokerage relationship unless BRAM has determined that such recommendation is in the best interests of the FOHF Client.

BRAM may recommend that a Client invest in another Client. For example, BRAM may recommend that a FOHF Client invest in a Fund. When assets of a Client are invested in another Client, the investing Client will not pay any additional investment management fees in connection with such investment.

B. Riley has implemented procedures designed to address the foregoing conflicts of interest which include extensive written policies and protocols to ensure that all professionals and related persons within the firm are fully informed of the current regulations and that appropriate controls are in effect to address these conflicts and ensure compliance with all laws, rules and regulations related to the management of such conflicts of interest and the operation of its broker-dealer and asset management divisions.

ALL INVESTMENT ADVISORY AGREEMENTS ENTERED INTO BY BRAM WITH A CLIENT WILL BE EITHER PRECEDED THE PROVISION OF WRITTEN DISCLOSURES TO THE CLIENT REGARDING ANY MATERIAL CONFLICTS OF INTEREST RELATED TO BRAM, ITS REPRESENTATIVES, AND EMPLOYEES OR INCLUDE WRITTEN DISCLOSURES TO THE CLIENT REGARDING ANY MATERIAL CONFLICTS OF INTEREST RELATED TO BRAM, ITS REPRESENTATIVES, AND EMPLOYEES.

A. Current or Pending Registration as a Broker-Dealer

Bryant R. Riley, Tom Kelleher, Mike McCoy, Nick Capuano, Charles Hastings and Allison Petchenick are registered representatives of B. Riley. BRAM is a wholly owned subsidiary of B. Riley & Co. Holdings, LLC, which is owned by Bryant Riley, who also indirectly owns the majority of B. Riley. Certain of the management of B. Riley, including BRAM’s Chief Compliance Officer will be executives, employees, and/or registered representatives of B. Riley.

B. Current or Pending Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, or an Associated Person of Same

Neither BRAM nor any of its management persons are registered as or have a pending application to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. However, BRAM has claimed an exemption from registration as a commodity pool operator with respect to one or more Funds.

C. Material Relationships related to the Advisory Business

Bryant Riley is the Chairman of B. Riley. B. Riley is an affiliate of BRAM. Bryant Riley also serves as a managing member of Riley Investment Management, LLC, which is an investment adviser registered with the State of California that serves as the general partner to Riley Investment Partners, LP. Riley Investment Management, LLC is wholly owned by Bryant Riley.

Investors in a Fund must understand that one or more Funds were formed as an investment product to be managed by BRAM, and that BRAM does not intend to cause any Fund to terminate its investment management relationship with BRAM absent BRAM's liquidation or bankruptcy. However, BRAM has a fiduciary duty to act in the best interest of each Fund that it manages, and investors in each Fund have the right to withdraw from the Fund at any time subject to any notice requirement, lock-up period or other withdrawal limitations described in the Fund's Offering Memorandum. BRAM may from time to time enter into a side letter agreement with one or more investors in a Fund which may, among other terms, provide for (i) withdrawal rights that are more favorable than the rights granted to all other Fund investors, (ii) a reduced management fee and/or performance-based compensation, or (iii) greater or more frequent transparency with respect to the Fund.

Neither BRAM nor its related persons are obligated to allocate any specific amount of time or investment opportunities to a particular Client. BRAM and its related persons intend to devote as much time as they deem necessary for the conduct of each Client's operation and portfolio management, and will allocate investment opportunities in accordance with BRAM's trade allocation policy. Since BRAM and/or its related persons may serve as advisers, directors, members, investors, partners, officers, investment adviser representatives, or provide other services to clients of B. Riley and/or its affiliates, BRAM and/or its related persons may be given access to confidential information relating to portfolio funds or companies in which a Client may invest. As a result, the Client may be prohibited from engaging in transactions with certain entities, portfolio companies, or affiliates or purchasing or selling certain investments held in an Account which may have an adverse effect on the Client.

Principals, officers and employees of BRAM ("***Covered Persons***"), members of their families and related persons of BRAM may invest, directly or indirectly, in a Fund, and may receive preferential fee terms in connection with such investments. BRAM may recommend to Clients the purchase or sale of securities in which it, or a Covered Person or related person thereof, has a financial interest. In addition, BRAM permits its Covered Persons to engage in personal securities transactions, subject to compliance with BRAM's Code of Ethics. For a general discussion of how resulting conflicts of interest are addressed, see discussion under "*Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*" below.

D. Selection or Recommendation of Other Advisers

BRAM may for certain Clients (e.g., FOHF Clients) select other investment advisers following the investment program described in the Client's offering documents or investment advisory agreement, as applicable; however, BRAM will not receive compensation from such advisers for such selections. BRAM does not have other business relationships with other non-affiliated investment advisers that create a material conflict of interest.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

BRAM has adopted a Code of Ethics (the “*Code*”) that reflects BRAM’s fundamental position of placing the interests of BRAM’s Clients first at all times, and to ensure that BRAM fulfills its fiduciary duty to its Clients. The Code obligates BRAM and its related person to put the interests of Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. BRAM’s personnel are also required to comply with applicable provisions of Federal securities laws and make prompt reports of any actual or suspected violations of such laws by BRAM or its employees. Accordingly, the Code reflects BRAM’s desire to detect and prevent not only situations involving actual or potential conflict of interests, but also those situations involving only an appearance of conflict or of unethical conduct.

The Code explains each person’s duty to maintain the confidentiality of BRAM’s proprietary information as well as a policy against insider trading and restrictions with respect to giving or receiving business-related gifts and entertainment or making political contributions to local, state and federal candidates for public office. The Code requires that the giving and receiving of business-related gifts and entertainment over a de minimis cost or value must be pre-approved by BRAM’s Chief Compliance Officer (“*CCO*”). Political contributions are generally prohibited with respect to candidates for local or state-local office and contributions to candidates for federal office require the pre-approval of the BRAM’s CCO.

Clients and prospective Clients may obtain a copy of BRAM’s Code of Ethics upon request by contacting BRAM via phone at 310-966-1446 or via email to apetchenick@brileyco.com.

The Code also contains BRAM’s personal trading policy which limits the ability of its employees to trade in securities for their personal accounts. The Code requires all personnel to report their personal trading activity to BRAM’s CCO. The Code is designed to assure that personal securities transactions, activities and interests of employees will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. The personal trading policy applies to accounts of certain family members (including the spouse and minor children of a principal or employee who live in the same household). Pursuant to the Code, principals and employees must obtain approval prior to executing transactions in personal trading accounts, including transactions in private placements or initial public offerings, with certain limited exceptions for extremely liquid securities, such as Treasuries, open-end mutual funds and exchange traded funds. BRAM prohibits employees from executing any transaction that would have an adverse economic impact on the Clients. BRAM also maintains a restricted list containing the names of securities which access persons are generally prohibited from trading.

All transactions made by employees of BRAM are closely monitored on an on-going basis by BRAM’s CCO to ensure pre-clearance has been sought and obtained when required, and to ensure the personal trading patterns of employees fall within the guidelines set forth in the Code. BRAM’s principals and employees may invest directly in one or more of the Funds or Investment Companies managed by BRAM.

BRAM, its principals, employees and affiliates may trade securities for their own accounts. However, the records of such trading will not be made available to Clients. It is possible that principals, officers or employees of BRAM may buy or sell securities and other investment interests that BRAM or its affiliates have recommended to Clients and may engage in transactions for their own accounts in a manner that is inconsistent with BRAM’s or its affiliate’s recommendations to a Client or the market in general. Personal trading transactions by employees may raise potential conflicts of interest when such persons trade in a security or other investment product or instrument that is owned by, or considered for purchase or sale, a Client. BRAM has adopted policies and procedures designed to detect and prevent such conflicts of interest and, when they do arise, to ensure that it effects transactions for Clients in a manner that is consistent with its fiduciary duty to its Clients and in compliance with applicable laws. As required by BRAM’s Code, employees of BRAM are required to report all personal trading transactions to the CCO.

BRAM does not generally act as a principal, either as buying securities for itself or its affiliates from a Client or selling securities it or its affiliates own to a Client. In the event that BRAM decides to engage in any such principal transaction in the future, BRAM will comply with the requirements of Section 206(3) of the Advisers Act by: (i)

disclosing to the Client in writing the material terms of the transaction; and (ii) obtaining the written consent of the Client for such transaction (which, in the case of a Fund, may be provided by an independent investor representative). BRAM will include the following in such disclosure: (a) its capacity as principal; (b) the cost to BRAM of the security, in the case of a sale to a Client, or the price of the security in a resale, in the case of a purchase from a Client; and (c) the best price at which the transaction could be effected by or for the Client elsewhere if such price is more advantageous to the Client than the purchase or sale with BRAM.

BRAM generally does not engage in cross trades. In the event that it is determined that effecting a cross trade is appropriate, prior approval by BRAM's CCO is required. In the event that an inadvertent cross trade occurs, BRAM's CCO will determine to what extent material harm, if any, was caused to the applicable Client accounts or the market and then proceed accordingly, which may include consulting with BRAM's outside counsel.

A Client may co-invest with BRAM and/or principals of BRAM and other Clients in respect of certain investment opportunities. Any such co-investments will be on the same terms as made available to the Client, and no additional fees will be incurred by virtue of such investments. On occasions, Clients may acquire debt or equity interests in projects financed by other entities managed by affiliates of BRAM. Clients may also loan to or invest in entities in which other Clients of BRAM are investors or lenders, either in similar investment positions or in different positions in the capital structure with different risk and return parameters. In any such event, disputes may arise between the two entities regarding the terms of the investments and the enforcement of the entities' respective rights therein. Furthermore, BRAM is not precluded from causing the Client to invest in the securities issued by companies represented in the investment portfolios of other partnerships managed by BRAM or its principals, affiliates, or other Clients. Any such purchases or sales will not be on a "principal-to-principal" basis and will only be offered where BRAM is satisfied that the Client's interests are not unfairly prejudiced.

B. Riley is a registered broker-dealer and a member in good standing with FINRA and is a registered investment adviser with the State of California. Bryant Riley also serves as the Chairman of B. Riley and as a managing member of BRAM. B. Riley may recommend to Clients that they buy or sell securities in which it or its related persons have some financial interest, including but not limited to interest in a Fund, and B. Riley or its related persons may own, buy or sell for themselves the same securities that they may have recommended to Clients. Some conflicts of interests are described below:

- BRAM or its related persons may invest their own capital in securities in which BRAM's Clients may also have made investments. For example, B. Riley may make a market for securities as a broker-dealer, and BRAM may trade or invest in the same securities held by a Client account.
- BRAM may make an investment decision that is contrary to research that its affiliate, B. Riley, publishes.
- Employees of BRAM and B. Riley may transact in securities that BRAM has recommended to, or transacted on behalf of a Client account.
- Registered representatives of B. Riley may recommend that a brokerage client invest in a Fund. The employee's compensation may be based, in part, on revenues earned by the Fund in connection with the management fees paid to BRAM in connection with such investment. B. Riley will recommend an investment in a Fund only if it is assured that it is suitable for such brokerage client.

All of the foregoing is also subject to the B. Riley's Code of Ethics as well as applicable laws.

Item 12 Brokerage Practices**A. Brokerage Practices**

In selecting a broker or dealer for any transaction or series of transactions, BRAM's policy is to see the best execution of orders at the most favorable price in light of the quality of brokerage and research services provided. In selecting a broker or dealer, BRAM does not necessarily solicit competitive bids and is under no obligation or duty to obtain the lowest commission or best net price for the Client in any transaction.

Brokerage Practices. Mr. Bryant Riley is the Chairman and a registered representative of B. Riley, BRAM's affiliated FINRA-registered broker dealer. Except in rare circumstances, B. Riley will not execute principal trades for Clients, but it may effect agency or agency cross transactions (*i.e.*, transactions in which B. Riley acts as broker for the parties on both sides of the transaction) for the account of the Client. B. Riley may receive compensation from parties on both sides of such transactions (the amount of which may vary) and, therefore, will have a potentially conflicting division of loyalties and responsibilities. A Client may designate B. Riley as introducing broker for all account trading. In those cases where the Client does not designate a specified broker for trading, BRAM allocates Client transactions to broker-dealers, including B. Riley, for execution on such markets, at such prices, and at such commissions as BRAM in good faith determines are most advantageous to the Client.

In choosing brokers and dealers, BRAM will not be required to consider any particular criteria. Generally, BRAM will seek to obtain the best combination of brokerage expenses and execution quality for transactions but, as discussed below, BRAM is not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. In evaluating execution quality, historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions will usually be a principal factor, but other factors will also be relevant, including the execution, clearance, and settlement and error correction capabilities of the broker or dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker's or dealer's willingness to commit capital; its reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; avoiding adverse market impact while building a position; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; confidentiality; and the market for the security. In particular, when trading in stocks with a small float, the most basic brokers and electronic trading would not provide the necessary level of execution. BRAM has no obligation to deal with any broker or dealer in executing transactions. BRAM discloses this policy to its Clients in advance, including the fact that BRAM may use the services of its affiliate, B. Riley, to affect a majority of transactions (which would result in B. Riley receiving commissions from the Clients) and that B. Riley may be engaged to be a Client's introducing broker.

Agency Cross Trades. With appropriate Client authorization as required by applicable law, B. Riley may act as a broker in securities transactions involving Clients on one side and B. Riley's brokerage clients on the other side (an "**Agency Cross Transaction**"). In this regard, BRAM will ensure that the advisory Client receives the benefit of the transaction and comply with BRAM's legal and fiduciary responsibilities. B. Riley may receive compensation from parties on both sides of such transactions (the amount of which may vary) and, therefore, will have a potentially conflicting division of loyalties and responsibilities. Generally, the pricing of the Agency Cross Transaction is negotiated between the Client on one side and the brokerage client on the other side and is usually determined by the inside bid or offer.

Capital Introduction. A Fund's executing and prime brokers, and other affiliates, including B. Riley, may from time to time, refer potential clients to BRAM and/or the Fund or arrange for meetings with potential clients for BRAM and/or investors for the Fund, who are also often clients of B. Riley and/or another brokerage firm selected by BRAM. Although this may create a potential conflict of interest, capital introduction is not a consideration when selecting or retaining prime brokers or executing trades. While the meetings may be arranged by brokers of B. Riley, there is no guarantee that the brokerage clients will invest in a Fund or otherwise with BRAM. Standard commission rates will be paid to broker-dealers (including B. Riley) for trading by BRAM's Clients, as well as customary prime brokerage fees, if any. In addition, B. Riley's registered representatives may receive finders/referral fees based on any clients they introduce to BRAM that actually invest in a Fund and/or BRAM's

other Clients, provided however, these finder/referral fees will be the responsibility of the Fund's general partner and will be paid, if at all, by the Fund's general partner out of the management fees and performance-based compensation earned by the general partner, if any, in the ordinary course of managing the Fund. Such fees will not under any circumstances be derived from the Fund's capital and will not have any direct adverse impact on the Fund's investors. Payment of the finder/referral fees, if any, will at all times be subject to and in accordance with the applicable rules, regulations and laws regarding payments of this nature.

Soft Dollars. In addition to execution quality, BRAM may consider the value of various research services or products, beyond execution, that a broker-dealer provides to BRAM or its Clients. Selecting a broker-dealer in recognition of such other services or products is known as paying for those services or products with "soft dollars." Because many of those services could benefit BRAM, it may have a conflict of interest in allocating client brokerage business. In other words, BRAM could have an incentive to execute client transactions through a broker or dealer that provides valuable services or products and pay transaction commissions charged by that broker or dealer which may be higher than BRAM might otherwise be able to negotiate. BRAM could also have an incentive to cause Clients to engage in more securities transactions than would otherwise be optimal in order to generate soft dollars with which to acquire research products and services.

BRAM will make decisions involving "soft dollars" in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, BRAM will generally determine, considering all appropriate factors (including those described here), that commissions paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer. In making that determination, BRAM may consider not only the particular transaction, and not only the value of brokerage and research services and products to a particular Client, but also the value of those services in BRAM's performance of its overall responsibilities to all of its Clients. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge. Additionally, in some cases, a Client's transaction may be executed by a broker in recognition of services or products that are not used in managing that Client's account. Broker-dealers are not excluded from a Client's business simply because they have not provided research services or products, although BRAM may not be willing to pay the same commission to such broker as BRAM might have been willing to pay had the broker provided research products and services. Currently, BRAM does not receive any other soft dollar benefits for its Clients, except with the exception of research received from BRAM's affiliate broker dealer, B. Riley.

For these purposes, "research" means advice, analysis and reports used to provide lawful and appropriate assistance to BRAM in making investment decisions for its Clients. BRAM may acquire the following types of research: reports on or other information about particular companies or industries; economic data such as unemployment reports, inflation rates or gross domestic product figures; recommendations as to specific securities; financial publications relating to the value, availability or advisability of investing in securities, and issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of the accounts; and portfolio evaluation services and financial database software and services. In addition, the types of brokerage services that BRAM may obtain include execution clearing and settlement service, exchange of messages among brokers, custodians and institutions; and communication services related to the execution, clearing and settlement of securities transactions and other incidental services. Where a particular service or product that a broker or dealer is willing to provide for soft dollars has not only a "research" application, but is also useful to BRAM for non-"research" purposes, BRAM will allocate the cost of the product or service between its research and non-research uses and pay only the "research" portion with soft dollars. BRAM's interest in making such an allocation may differ from Clients' interests in that BRAM has an incentive to designate as great a portion of the cost as "research" as possible in order to permit payment with soft dollars.

When a broker-dealer provides research or other products or services in expectation of brokerage business, it generally suggests the level of business it would like to receive as compensation. Actual transactional business received by a particular broker or dealer during any period may be less than the suggested level, but may and typically will exceed that level. In other cases, a broker or dealer may establish "credits" based on brokerage commissions paid in the past, which may be used to pay, or reimburse BRAM, for specified expenses. In making its brokerage selections, BRAM may consider those suggestions as part of its evaluation of the factors described above.

Brokerage for Client Referrals. BRAM, in its capacity as an investment adviser and affiliate of B. Riley, a registered broker-dealer, and its' related persons as registered representatives of B. Riley, and its affiliates, may receive Client referrals from B. Riley in selecting or recommending broker-dealers or third parties. BRAM might have an incentive to select a broker-dealer based on its interests in receiving Client referrals rather than its Clients' interest in receiving the most favorable execution. BRAM will not allocate client brokerage business to a referring broker unless BRAM determines in good faith that the commissions and transaction costs payable to such broker are not materially higher than those available from other non-referring brokers offering services of similar execution quality.

Directed Brokerage. Certain Clients may direct that some or all account transactions be effected through specific brokers or dealers. In such case, the Client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers. BRAM will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such Client's account. A Client must recognize that it may not obtain rates as low as it might otherwise obtain if BRAM had discretion to select brokers or dealers other than those chosen by the Client. Any Client providing instructions to BRAM regarding direction of brokerage transactions must notify BRAM in writing if the Client desires BRAM to cease executing transactions with or through any such broker or dealer.

BRAM routinely recommends, but does not require, that a Client direct BRAM to execute transactions through a specified broker-dealer, usually BRAM's affiliate, B. Riley.

B. Trade Aggregation

Under BRAM's trade aggregation policy, orders for the same investment, including acquisition and disposition transactions, entered on behalf of more than one (1) Client may be aggregated (*i.e.*, blocked or bunched), subject to the aggregation being in the best interests of all participating Clients. The aggregated trade order must indicate the amount or percentage of the trade intended to be allocated to each participating Client. If the final allocation differs from the initially indicated allocation or is not allocated on a *pro rata* basis for partially filled orders, except in the case of *de minimis* changes in the allocations, a written rationale must be provided in the allocation statement. Please also refer to response to "A" above.

Item 13 Review of Accounts

Account Reviews. All Client accounts are generally reviewed on an ongoing basis by BRAM's investment staff, including Bryant Riley, Managing Member and Allison Petchenick, Chief Compliance Officer. A review of a Client account focuses on the review of performance (including market and portfolio-level correlation, volatility, and overall portfolio suitability) of the account's portfolio investments.

Client Reports. Following the end of each quarter in each fiscal year, BRAM and/or the qualified custodian of each Client account will transmit to each Fund investor and Account Client unaudited financial information setting forth, *inter alia*, a statement of its net capital appreciation or net capital depreciation.

Each Fund's independent certified accountants will audit the Fund's books and records as of the end of each fiscal year. Each Fund will mail to its investors an annual report prepared by its independent certified public accountants setting forth a balance sheet of the Fund, a profit and loss statement showing the results of operations of the Fund and its net capital appreciation or net capital depreciation, a statement of such investor's capital account and the manner of its calculation and the Fund percentage as of the end of the prior fiscal year. After the end of each fiscal year, each investor in a Fund will be furnished the required tax information for preparation of their respective tax returns.

Item 14 Client Referrals and Other Compensation

Compensation by Non-Clients. No person (other than a Client) provides an economic benefit to BRAM for providing investment advice or other advisory services to BRAM's clients.

Compensation for Client Referrals. Subject to applicable law, BRAM may employ solicitors to whom it will pay either a portion of the advisory fees received from Clients referred by such solicitors or cash at BRAM's own expense. In such cases, this arrangement will be disclosed in writing to the Client and BRAM will comply with any other applicable requirements under Rule 206(4)-3 under the Advisers Act. In particular, BRAM will ensure that each solicitor provides Clients with a current copy of BRAM's Form ADV brochure and the solicitor's written disclosure document.

The Investment Companies may also pay various fees to broker-dealers and other financial intermediaries that provide distribution and other services related to such Investment Companies, including but not limited to distribution and servicing fees payable in connection with plans adopted pursuant to Rule 12b-1 under the Investment Company Act, administrative, recordkeeping, sub-accounting and/or networking fees, marketing support payments and payments in support of training and educational seminars sponsored by such financial intermediaries.

Item 15 Custody

BRAM does not act as a custodian for Client assets. However, under Rule 206(4)-2 under the Advisers Act, BRAM may be deemed to have custody of Client assets.

Private Investment Funds

BRAM may be deemed to have custody of a Fund's assets because of the authority it or a related party has over the Fund. It is BRAM's policy generally to cause the Fund with assets over which BRAM is deemed to have custody to be audited annually and to distribute audited financial statements, prepared in accordance with GAAP, to investors after the end of each fiscal year. In addition, upon the final liquidation of any Fund, BRAM will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit.

Separately Managed Accounts

BRAM will not maintain possession or custody of the funds or securities placed in an Account. The assets transferred by an Account Client will typically be deposited with a qualified custodian selected in accordance with BRAM's investment advisory agreement with the Account Client. Where BRAM is deemed to have custody of an Account solely due to its ability to withdraw Client funds to pay its advisory fees, BRAM may comply with the custody rules under the Advisers Act by having a reasonable belief that a qualified custodian will send quarterly account statements to each Account Client. BRAM urges all Clients to compare the reports they receive from BRAM to the statements they receive from their custodians. Any issues or discrepancies should be communicated to BRAM promptly.

Registered Investment Companies

Investment Companies have made arrangements with qualified custodians as disclosed in the relevant Prospectus.

Item 16 Investment Discretion

BRAM has discretionary authority to make the following determinations without obtaining the consent of any Fund, any Investment Company or any Account client before the transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers through which securities are to be bought or sold; and
- the commission rates at which securities transactions for client accounts are effected.

BRAM's discretionary authority is derived from an express grant of authority under the Client's governing documents and/or an investment advisory agreement that BRAM enters into with each Client. BRAM will only buy and sell securities and other instruments for Clients on a discretionary basis in a manner consistent with each Client's stated investment objectives and restrictions. BRAM's discretionary authority with respect to an Account Client may be subject to the Client's ability to direct BRAM to effect brokerage business for its Account to a particular broker. See "*Item 12. Brokerage Practices*" above. BRAM's internal compliance policies may impose additional restrictions on the instruments and securities that may be bought and sold on behalf of Clients. In addition, with respect to certain accounts, such as Investment Companies, BRAM's authority to trade securities may be limited by certain securities, tax, and other laws that may, for example, require diversification of investments and impose other limitations.

Item 17 Voting Client Securities

Generally, and except to the extent that an Account Client otherwise instructs BRAM in writing, BRAM will vote (by proxy or otherwise) in all matters for which a vote is solicited by, or with respect to, issuers of securities beneficially held by a Fund, an Investment Company or in an Account in accordance with BRAM's proxy voting policies and procedures (the "*Policies*").

The Policies require BRAM to vote proxies received in a manner consistent with the best interests of its Clients. The Policies also require BRAM to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Client that beneficially owns the voting securities. However, the Policies permit BRAM to abstain from voting proxies in the event that the Client's economic interest in the matter being voted upon is limited relative to its overall portfolio or the impact of the vote will not have an effect on the outcome of the matter up for vote or on the Client's economic interests.

Certain of BRAM's proxy voting guidelines are summarized below:

- BRAM generally votes for: uncontested director nominees recommended by management; the election of auditors recommended by management, unless a dispute exists over policies; limiting directors' liability; and eliminating preemptive rights.
- BRAM votes against: proposals that make it more difficult to replace board members, including proposals to: stagger the board; overweight management on the board; introduce unequal voting rights; proposals to entrench the board or adopt anti-takeover measures; proposals to provide cumulative voting rights; and social issues.

Although many proxy proposals can be voted in accordance with BRAM's proxy voting guidelines listed above, some proposals will require special consideration, and BRAM will make a decision on a case-by-case basis in these situations, including proposals to: eliminate director mandatory retirement policies; rotate annual meeting locations and dates; grant options and stock to management and directors; and indemnify directors and/or officers.

The Policies include guidelines to follow when BRAM receives proxies for the CCO to follow if a material conflict of interest between BRAM or its employees and its Clients to ensure that such conflict is resolved in the best interests of the Clients.

BRAM's proxy voting policy and procedures, as well as its proxy voting record, are available for Clients to review. Clients may review and discuss these documents upon request by contacting BRAM via phone at 310- 966-1446 or via email to apetchenick@brileyco.com.

Item 18 Financial Information

A. Not applicable.

B. BRAM has discretionary authority of the securities that are to be bought or sold for certain Clients. However, BRAM does not have physical custody of Client funds or securities and does not require or solicit prepayment of more than \$500 in fees from Clients more than six (6) months in advance of services.

C. BRAM has no financial conditions that are reasonably likely to impair its ability to meet contractual commitments to the Clients and BRAM has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

Item 19 Requirements for State-Registered Advisers

Not applicable.