
Item 1. Cover Page

FIRM BROCHURE

Freeport Financial Partners LLC

March 2013

This brochure provides information about the qualifications and business practices of Freeport Financial Partners LLC.

If you have any questions about the contents of this brochure, please contact us at (312) 281-4600 or email: FreeportCompliance@freeportfinancial.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Freeport Financial Partners LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 2. Material Changes

This is the initial firm brochure for Freeport Financial Partners LLC and as such there are no material changes.

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Brochure Supplements attached.

Item 4. Advisory Business

A. General Description of Advisory Firm

Freeport Financial Partners LLC is a Chicago-based investment advisory firm founded in September 2012 by Matthew Gerdes, Joshua Howie, Stephen Papalas and Joseph Walker (the “Principals”). Freeport Financial Partners LLC was formed by the Principals to take on the business of Freeport Financial LLC, which was divested to the Principals by Stark Investments in August 2012. Since 2005 and prior to the divestiture, the Principals originated, underwrote and managed middle market loans on behalf of Freeport Financial LLC.

Freeport Financial Partners LLC is registered as an “investment adviser” under the Investment Advisers Act of 1940, as amended. Freeport Financial Partners LLC is owned as an indirect subsidiary of Moelis & Company Holdings LP, a leading global investment bank.

Freeport Financial Partners LLC provides investment advisory services to Freeport Financial SBIC Fund LP, a Delaware limited partnership operating as small business investment company (“SBIC”) under the Small Business Investment Act of 1958, as amended (together with the related regulations, the “SBIC Act”).

Our business focuses on advising clients in making investments primarily in senior secured loans to middle market borrowers backed by private equity firms.

As used in this brochure:

- “Freeport,” “we,” “us” and “our” refer to Freeport Financial Partners LLC and its investment advisory business;
- the “Moelis broker-dealer” refers to Moelis & Company LLC;
- the “Freeport Fund” or “the Fund” refers to Freeport Financial SBIC Fund LP, a Delaware limited partnership; and
- the “Principals” collectively refer to Matthew Gerdes, Joshua Howie, Stephen Papalas and Joseph Walker

B. Description of Advisory Services

We provide investment advice to the Freeport Fund regarding the origination, underwriting, selection, monitoring and realization of each Freeport Fund investment. Generally, we provide assistance to the General Partner of the Freeport Fund with respect to strategic planning, identifying potential investments, screening and referring potential investments to the Freeport Fund, recommending strategies for exit from investments, executing the investments, monitoring the performance of investments, providing economic and investment analysis with respect to investments, preparing valuations and reports in accordance with Fund Agreements. We also

work with the portfolio companies directly under the direction of the General Partner of the Freeport Fund to monitor portfolio company performance.

The relationship between us and the Freeport Fund is governed by the Investment Advisers Act of 1940, as amended, as well as the governing documents of the Freeport Fund and the terms of investment advisory agreement concluded between us and the Freeport Fund. Interests in the Freeport Fund are privately offered only to qualified purchasers, typically institutional investors (for example, banks, family offices, public and private pension funds) and eligible high-net-worth individuals.

The Freeport Fund will primarily invest in middle-market loans issued to borrowers typically located in the United States and exhibiting revenues between \$25 million and \$100 million. The Freeport Fund's investments will primarily consist of floating-rate senior secured loans issued to borrowers backed by private equity firms that the Principal have underwritten and believe to be top-tier firms. Some of the senior secured loans the Freeport Fund will issue may be "one-stop financings" – meaning such a loan will take the place of both the senior and mezzanine component of a senior/mezzanine capital structure but will still enjoy all of the protections associated with a senior secured loan. The Freeport Fund may provide mezzanine financing alone, provide fixed-rate senior loans or make equity investments in very limited instances.

The investment advice we provide to our the Freeport Fund is limited to the middle-market loan investment program described immediately above and conducted by the Freeport Fund.

C. Availability of Tailored Services for Individual Clients

Our advisory services are tailored to the investment strategies of the Freeport Fund. Investment restrictions are imposed in the governing agreements for the Freeport Fund, as specifically negotiated with investors.

D. Wrap Fee Programs

This item is not applicable as we do not participate in any wrap fee programs.

E. Client Assets Under Management

As of April 2013, we managed \$73,181,000 of client assets on a discretionary basis in the Freeport Fund.

Item 5. Fees and Compensation

A. Advisory Fees and Compensation

Management fees, performance fees and other fees we earn may be negotiated. The fees we charge are described in detail in the limited partnership agreement (or analogous organizational document) of each Freeport Fund, separate investment and advisory, investment management or portfolio management documents, or side letters with an investor in a Freeport Fund (together

“Governing Documents”) and investor offering documents. Generally, we charge a two (2) percent management fee annually and a twenty (20) percent “carried interest” or performance fee. Please refer to your Freeport Fund’s Governing Documents for a complete description of our fees and charges for your specific investment.

B. Payment of Fees

Management fees are payable quarterly in advance by the Freeport Fund. Management fees are paid by capital contributions from investors to the Freeport Fund made pursuant to capital call notices delivered by the Freeport Fund’s general partner, or are paid out of cash otherwise distributable to the investors.

“Carried interest” or performance fees are assessed periodically according to the Freeport Fund’s governing documents and are typically paid out of cash otherwise distributable to investors.

C. Other Fees and Expenses

Other fees may be paid to us or to the Freeport Fund’s general partner, managing member, or affiliates. These fees, which may include financing, finders, advisory, management services, directors, transaction or loan amendment fees from portfolio companies may be substantial and will be paid directly over to the Freeport Fund if received by us, the Freeport Fund’s general partner, managing member, or affiliates.

The Freeport Fund will pay all costs and expenses relating to the Fund’s activities, including management fees, all interest and expenses on any indebtedness incurred by the Fund, costs of obtaining the SBIC license and issuance of Debentures to the SBA, all amounts payable to the SBA under the SBIC Act, and all amounts payable in connection with any leverage commitment and any outstanding leverage, legal, auditing, consulting and accounting expenses (including expenses associated with the preparation of the Fund’s financial statements, tax returns and Schedules K-1), expenses of meetings with Limited Partners and meetings of the Freeport Fund’s Advisory Committee, insurance and other expenses of the type associated with the actual or proposed acquisition, holding and disposition of investments (including, without limitation, due diligence costs, travel expenses, accounting fees, brokerage fees, legal fees, broken-deal expenses, transfer taxes and costs related to registration or qualification for sale of investments), entity-level taxes, all third-party expenses in connection with transactions not consummated (including those expenses described in the previous parenthetical), all expenses in connection with the commitments for or issuance of leverage, fees or dues in connection with membership of the Fund in any trade association for small business investment companies or related enterprises and extraordinary expenses (such as litigation or indemnification expenses).

D. Refunds for Fees Charged in Advance

Investors in the Freeport Fund agree to pay fees in advance as described in Item 5.B. Upon a termination of the investment advisory agreement with the Freeport Fund, we will return to the Freeport Fund any paid but unearned portion of the management fee.

If following the liquidation of the Freeport Fund, the “carried interest” or performance fees paid to the General Partner of the Fund exceed twenty (20) percent or the limited partners have not received back all of their capital contributions plus an agreed upon preferred return, the General Partner of the Fund will pay over to the limited partners sufficient cash such that neither condition continues to exist, subject to the limitations and provisions set forth in the Freeport Fund’s governing documents.

E. Compensation for Sales of Securities

Neither we nor our supervised persons accept compensation for the sale of securities or other investment products.

Item 6. Performance-Based Fees and Side-by-Side Management

The Freeport Fund may be assessed a “carried interest” or performance fee that is paid to the General Partner of the Fund. The “carried interest” is assessed periodically according to the Freeport Fund’s governing documents and is typically paid out of cash otherwise distributable to investors. “Carried interest” is typically measured as a percentage of the profits, typically twenty (20) percent, of the Freeport Fund.

Item 7. Types of Clients

We provide investment advice solely to the Freeport Fund. We offer interests in the Freeport Fund only to qualified investors, typically institutional investors and eligible high-net worth individuals. We typically impose a minimum investment in the Freeport Fund of \$500,000 although this minimum may be waived at our discretion. On occasion, we may also offer investment opportunities to our qualified professional personnel, as well as other qualified institutions or individuals (for example, executives of present or former portfolio companies) who have a pre-existing relationship with us or offer expertise or other assistance with respect to a particular investment area or portfolio company.

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

A. Methods of Analysis and Investment Strategies

We focus on providing senior secured direct loans to middle-market borrowers backed by top tier private equity sponsors. A strong borrower candidate will exhibit attractive market share in a niche business, strong branded products and/or services, diversified customer and supplier bases, relatively stable historical financial performance and experienced management teams. Moreover, a strong borrower candidate will be backed by a private equity sponsor, who has been underwritten by Freeport using the following criteria: historical lender losses, portfolio support, operating partners on staff, equity contributions in troubled situations, capacity for follow-on investment and our past experience with the private equity firm.

Once we have identified a suitable candidate for investment, we employ a rigorous due diligence process. This process involves a thorough assessment of a prospective borrower's: i) management team (background checks, employment terms, on-site meetings), ii) financial condition (audited and interim financials, validation of quality of earnings, financial and cash controls, cash flow model for various projection cases), iii) company specific attributes (key risks and mitigating factors, customers, suppliers, contracts, market share trends), iv) industry specific attributes (competitive landscape, regulatory considerations, barriers to entry and switching costs), v) legal considerations (pending litigation, contracts, intellectual property, corporate structure) and vi) environmental and insurance considerations. The due diligence process is largely conducted by us but will also typically involve retaining third parties, including, accounting firms, legal and tax experts and market, background, environmental, and/or insurance consultants. We primarily obtain the information from which we perform our due diligence process directly from our prospective borrowers and their private equity backers.

The Freeport Fund does not have a particular industry preference, but seeks to invest in companies that operate in stable industries that are not susceptible to technological obsolescence, rapid shifts in consumer preferences or highly cyclical demand.

Investments in the Freeport Fund involve significant risks, including the risk of losing your entire investment, and investors in the Freeport Fund must be prepared to bear the risk of a total loss of their committed or invested capital. Please see Item 8.B. below for additional risks associated with your investment.

B. Material Risks

Illiquidity of Investments

The ultimate recognized value of the loans and the other investments originated and otherwise acquired, directly or indirectly, by the Fund will fluctuate with, among other things, changes in market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the financial condition of the borrowers under such loans or the issuers of such securities. In addition, the lack of an established, liquid secondary market for loans (including in particular the middle-market loans) and the Fund's other investments may have an adverse effect on the market value of such loans and other investments and on the ability of the Fund to dispose of them. Therefore, no assurance can be given that the Fund will be able to dispose of a particular investment in a timely manner. There is no certainty of distributions to the Partners, as the Fund will not have a source of funds from which to provide distributions to the investors other than income and gain received on its investments and the return of capital. Investments of the Fund will be illiquid, and there can be no assurance that the Fund will be able to effect a successful realization or exit strategy.

Diversification Risk

Although the Freeport Fund's objective is to acquire a diversified portfolio, the Fund may (and initially will) acquire a limited number of investments, and the aggregate return of the Fund may be affected by the performance of only a few investments.

Portfolio Company Management Risk

The funds provided to portfolio companies via the investments we make will be governed primarily by the management team of the portfolio company. Although we monitor the performance of each investment and will seek to develop a close and influential relationship with the senior management of each portfolio company, it is the responsibility of company management to operate a portfolio company on a day-to-day basis. There can be no assurance that the management team of a portfolio company at any particular time will be able to operate the portfolio company in accordance with our expectations or suggestions.

Leverage Risk

The use of leverage from the SBA will magnify the potential for both gains and losses with respect to investments made by the Freeport Fund. If income and appreciation on investments made with borrowed funds are less than the cost of the leverage, the value of the Fund's net assets will decrease. Accordingly, any event that adversely affects the value of an investment by the Fund would be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss which would be greater than if leverage were not used. As a result of commitment fees, repayment of obligations, and semi-annual interest payments to which the SBA is entitled, the Fund's investors may realize a lower return than they otherwise would have realized if they had made an investment in a fund that did not use leverage from the SBA, and may realize no return when they would have realized a positive return if they had made their investment in such a fund. There can be no assurance that the Freeport Fund will generate returns that exceed the crossover point for return enhancement attributable to leverage from the SBA. The payments to which the SBA is entitled may reduce or entirely eliminate returns to investors if the Fund does not generate sufficient returns in excess of such payments.

In the event that the Freeport Fund issues any SBA Debentures, its operations will involve associated fixed costs. SBA Debentures require that interest be paid on a current basis, and the income the Fund's investments may not be sufficient to make the required payments. Upon liquidation of the Fund, both unpaid principal and accrued interest will have priority over payment of any amounts due to the Fund's investors. Upon the occurrence of an event of default under the agreements pursuant to which the Fund issues SBA Debentures, or as provided in SBA regulations, the SBA may accelerate the maturity date of the SBA Debentures and declare their principal amount, together with accrued interest thereon, to be immediately due and payable. While use of leverage from the SBA may enhance the returns of the investors in the Fund, if the Fund meets its investments objectives, it also increases the risk of loss because increased operating revenues are needed to make required payments of principal and interest on loans. As such, losses on a small percentage of the Fund's investments and loans can result in a much larger percentage reduction in investors' equity.

Limits on Distributions

The SBIC Act imposes restrictions on distributions by a SBIC with outstanding SBA Debentures. Under the SBIC Act, a SBIC with outstanding SBA Debentures may distribute cumulative realized profits (less unrealized losses on investments) to its investors, but it may not return more than 2% of its outstanding capital to investors in any fiscal year without SBA's prior approval. Historically, SBA has permitted repayments in excess of 2% only pursuant to an

approved “wind-up” plan filed by a SBIC pursuant to which SBA determines that repayment of the outstanding SBA Debentures is adequately assured. These restrictions may result in investors of the Freeport Fund being required to report taxable income without having a corresponding distribution from the Fund to pay the resulting tax liability.

Regulatory Considerations

As an SBIC, the Freeport Fund is subject to a variety of regulations concerning, among other things, the size and nature of the companies in which it may invest and structure of those investments. SBA regulations provide a variety of remedies if a SBIC fails to comply with applicable regulations. New regulations governing SBICS could be adopted in the future, and the Freeport Fund cannot offer any assurance that such new regulations will not require the Freeport Fund to alter its business activities or have a material adverse effect on the Fund’s business and results of operations. Current SBA regulations provide the SBA with certain rights and remedies if the Fund violates their terms. A key regulatory metric for the SBA is the extent of “Capital Impairment,” which is the extent of realized (and, in certain circumstances, net unrealized) losses compared with the SBIC’s private capital commitments. Interest payments, management fees, organization and other expenses are included in determining “realized losses.” SBA regulations preclude the full amount of “unrealized appreciation” from portfolio companies from being considered when calculating Capital Impairment in certain circumstances. Remedies for regulatory violations are graduated in severity depending upon the seriousness of the Capital Impairment or other regulatory violation. For minor regulatory infractions, warnings are given. For serious infractions, the use of leverage from the SBA may be limited or prohibited, outstanding leverage from the SBA may be declared immediately due and payable, restrictions on distributions and making new investments may be imposed, management fees may be required to be reduced and investors may be required to pay their unfunded commitments to the Fund. In severe cases, the SBA may require investors to remove the General Partner or its officers, directors, managers or partners or the SBA may obtain appointment of a Receiver.

No Assurance of SBIC License; Unavailability of Leverage

The Freeport Fund is not currently a licensed SBIC. There can be no assurances that a license will be granted. Obtaining a license as a SBIC does not automatically insure that the Fund will be able to obtain leverage from the SBA in the amounts and at the times required to optimize investment returns, or at all. Receipt of leverage funding from the SBA is dependent upon the Freeport Fund continuing to be in compliance with SBA regulations and policies and there being funding available. The amount of leverage funding from the SBA to SBICS is dependent upon annual Congressional authorizations and in the future, may be subject to annual Congressional appropriations.

C. Particular Securities

The Freeport Fund’s investments will primarily consist of senior secured loans issued to borrowers backed by private equity firms the Principals believe to be top-tier firms. Senior secured loans typically exhibit the following characteristics: a lien on all assets of the borrower, a pledge of the company’s stock, cash dominion, audit rights, full financial and negative covenants, restrictions on related party and affiliate transactions, approval over all acquisitions and dividends, ability to block payment to subordinated and other unsecured creditors and monthly financial and collateral reporting requirements.

Although the Freeport Fund expects to invest primarily in senior secured loans and other debt instruments or obligations secured by collateral, the Fund may be exposed to losses resulting from default and foreclosure of any such investments. Therefore, the value of underlying collateral, the creditworthiness of borrowers and the priority of liens are each of great importance in determining the value of the Fund's investments. No guarantee can be made regarding the adequacy of the protection of the Fund's security in the loans or other debt instruments in which it invests. Moreover, the liquidation proceeds upon the sale of such assets may not satisfy the entire outstanding balance of principal and interest on such foreclosed loans, resulting in a loss to the Fund. Lastly, no assurances can be made that borrowers or third parties won't assert claims that would interfere with the enforcement of the Fund's rights.

Item 9. Disciplinary Information

There are no legal or disciplinary matters that would be material to an investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations***A. Broker-Dealers***

Neither we nor any of our management personnel are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer.

B. Futures and Commodity Trading

Neither we nor any of our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing types of entities.

C. Material Relationships

We are affiliated with Moelis & Company LLC, a broker-dealer registered with the SEC and a member of FINRA. We may source investment opportunities for the Freeport Fund from the Moelis broker-dealer and its affiliates' financial services businesses. The Moelis broker-dealer or its affiliates may also provide financial advisory services to certain of the portfolio companies in which the Freeport Fund invests. Under these engagements, the Moelis broker-dealer (or its representatives) may be entitled to a fee from us or from the Freeport Fund. This relationship may create a conflict of interest between us and our clients because we may have incentive to engage the Moelis broker-dealer instead of unaffiliated broker dealers even if the unaffiliated broker-dealers may be more qualified to provide the applicable services and/or can provide such services at a lower cost. This relationship may create a conflict of interest between us and the Moelis broker-dealer (and its representatives) because the Moelis broker-dealer (or its representatives) may have a financial incentive to recommend transactions that are not in the best

interests of our clients. We have internal policies and procedures designed to address this conflict of interest, including an information barrier between us and the Moelis broker-dealer and specialized training for employees who, as a consequence of their management positions, may be exposed to this potential conflict of interest more regularly, despite our information barrier policies.

We may in the future provide investment advisory services to, and serve as sponsor of, additional affiliated investment partnerships, limited liability companies and their general partners or managing members, as applicable. In accordance with our internal policies and procedures, as well as the governing documents of the Freeport Fund, we seek to allocate investment opportunities among our clients in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, risk tolerance, return targets, permissible and preferred asset classes and liquidity needs of the investor. Under no circumstances may we or an affiliate allocate investment opportunities based on anticipated compensation or profits to us, the Moelis broker-dealer or any other affiliates or their employees.

We are also affiliated with P & S Credit Management, L.P. (“Gracie”), a leading multi-strategy credit manager. Gracie operates independently of our advisory business, but may, on occasion, provide asset management services to our clients in exchange for a fee. This relationship may create a conflict of interest between us and our clients because we may have incentive to engage Gracie instead of unaffiliated service providers even if such unaffiliated service providers may be more qualified and/or can provide such services at a lower cost. We have instituted policies and procedures designed to mitigate any potential conflicts of interest that our affiliate’s ownership of Gracie may create with our advisory services. These measures include the formation of an information barrier between us and the primary executives of Gracie to ensure that privileged and proprietary information derived from our advisory business is not used for the benefit of Gracie. Further, under no circumstances may our Management Committee engage Gracie on terms other than arm’s length in respect of the Freeport Fund.

D. Other Investment Advisors

We do not recommend or select other investment advisers for our clients.

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

A. Code of Ethics

We have established a Code of Ethics, which consists of policies and procedures reasonably designed to ensure compliance by us and our personnel with the Investment Advisers Act of 1940, as amended, and its rules and regulations, and to reflect our fiduciary duties to our clients. Freeport personnel may not benefit at the expense of clients. To that end, our employees must:

- Place the interests of our clients above any personal interests and refrain from taking for their own advantage an opportunity that rightfully belongs to our clients;
- Keep all investment-related information that is non-public information relating to a portfolio investment or client confidential;

- Refrain from, directly or indirectly, purchasing or selling any security while in possession of material, non-public information regarding such security, whether or not such information was obtained in the course of employment at Freeport in breach of a duty of confidence;
- Refrain from giving or accepting gifts or other benefits where a gift may be regarded as an inducement to the recipient to act contrary to his/her duties to us or our clients;
- Conduct all personal securities transactions in a manner consistent with the Code of Ethics (including pre-clearance of certain transactions and reporting of transactions);
- Refrain from competing directly or indirectly with us or our affiliates or using corporate property, information or position for personal gain;
- Report any violation of the Code of Ethics to our Chief Compliance Officer; and
- Acknowledge the terms of our Code of Ethics annually.

The Code of Ethics also provides guidelines on avoiding potential conflicts of interest that might arise in the management of client investment programs where the Moelis broker-dealer or its affiliated broker-dealers may have played a role, among other provisions. Moelis personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, sanctions, penalties and disciplinary proceedings, including termination of employment.

Investors and prospective investors may request a copy of our Code of Ethics by contacting Joseph Walker, Chief Compliance Officer, at 312-281-4600 or FreeportCompliance@freeportfinancial.com.

B. Participation or Interest in Client Transactions

We provide ongoing portfolio management and investment advisory services for the Freeport Fund. Investment decisions are made by our Investment Committee. The Investment Committee is responsible for monitoring and managing the Freeport Fund's investment portfolio in accordance with its particular investment objectives, limitations and guidelines, and as set forth in the applicable governing Fund Agreements. We also comply with restrictions provided in the applicable governing agreements relating to principal transactions or other affiliated transactions, in which we or our personnel may have interests that are not aligned with the interests of one or more of our clients.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. The potential for agency cross transactions, or other conflicts of interest, arises given our affiliation with the Moelis broker-dealer. For example, in the course of conducting its business, the Moelis broker-dealer and its affiliated broker-dealers may act as broker-dealer or agent in executing securities transactions for its clients and other persons, which may include our clients. In addition, our clients may invest in portfolio companies that are clients of the Moelis broker-dealer and its affiliated broker-dealers, and the

Moelis broker-dealer and/or such affiliated broker-dealers may be entitled to a fee for such investment. As a result, a conflict of interest may exist between our clients, on the one hand, and the Moelis broker-dealer and/or its affiliated broker-dealers, on the other hand. We have established policies and procedures reasonably designed to mitigate such conflicts of interests.

It is our policy not to execute any principal or agency cross securities transactions for client accounts unless our Investment Committee deems the transaction to be in the best interest of a particular client, our client and our Chief Compliance Officer give prior consent, and the transaction complies with SEC requirements. We also generally refrain from cross trading between clients' accounts unless the consent of both clients is obtained or our Chief Compliance Officer approves the transaction based on special circumstances.

The General Partner of the Freeport Fund may from time to time, receive fees or other payments in respect of investments completed by the Freeport Fund, such as financing, management services, directors, transaction or loan amendment fees. These fees will be paid directly over to the Freeport Fund if received by the General Partner of the Freeport Fund.

C. Personal Trading

Freeport Financial Partners LLC and its affiliates, and their respective clients may invest in loans and other securities that would be appropriate for the Freeport Fund. Such investments may be different from those made in respect of the Freeport Fund. The principals and officers of Freeport Financial Partners LLC, Freeport Financial Partners LLC, itself, and its affiliates, may also have on-going relationships with, render service to or engage in transactions with other investment vehicles with investment goals similar to those of the Freeport Fund. The principals and officers of Freeport Financial Partners LLC and its affiliates, take actions, give advice and recommend securities for their own accounts, and to their respective clients, family and friends, which advice or securities may differ from the advice given to, or securities or other investments recommended or bought for, the Freeport Fund, even though their investment objectives may be the same or similar. The principals and officers of Freeport Financial Partners LLC and Freeport Financial Partners LLC, itself, and its affiliates, may also have on-going relationships with, render services to or engage in transactions with the borrowers on loans originated and otherwise acquired by the Freeport Fund and the issuers of the other securities acquired by the Freeport Fund. Although we do not presently serve as an investment advisor or sub-advisor for any other pooled investment vehicles or other clients, we may serve as such in the future. If we do so serve as an investment advisor or sub-advisor in the future, we recognize that conflicts could arise in such circumstances and will endeavor to treat the Freeport Fund and such other clients fairly and equitably and taking into account the price and terms that would be obtained in the market for securities issued in similar transactions.

Freeport Financial Partners LLC and its affiliates, may at certain times be simultaneously seeking to purchase or dispose of investments for its respective accounts, the Freeport Fund, any similar entity for which it serves as investment advisor and for its clients or affiliates. Subject to the requirements of the governing instruments pertaining to us or our affiliates, investment opportunities identified and structured by us will generally be allocated between the Freeport Fund and our other clients and such affiliates' other clients in a manner that we and such

affiliates believe, in our judgment, to be appropriate given factors we believe to be relevant. Such factors may include the investment objectives, liquidity, diversification, lender covenants and other limitations of the Freeport Fund and Freeport Financial Partners LLC or such affiliates and the amount of funds each of them has available for such investment. In the event that the Freeport Fund and another account managed by us or any of our affiliates should purchase or sell the same securities or loans at the same time, we anticipate that such purchases or sales, respectively, will be aggregated and allocated. We intend to use our best efforts to ensure that such investments are allocated among its accounts in an equitable manner and in accordance with applicable law. However, due to, among other things, their varying risk tolerance, client guidelines, investment objectives, cash availability, tax considerations and other factors, the allocations of investment and disposition opportunities among the Freeport Fund and the various other clients of ours or any of our affiliates are not expected to be pro rata. Investment decisions made on behalf of other affiliates and clients may differ from those made for the Freeport Fund, though they may have similar investment programs, objectives and strategies, and there can be no assurance that a particular investment opportunity that comes to our attention will be allocated to the Freeport Fund. Accordingly, clients with similar strategies and advised by us or our affiliates may not hold the same loans or other investments or achieve the same performance. It is our intention that all investments will be purchased and sold on terms prevailing in the market.

In addition to our own policies and guidelines, under applicable SBA regulations, the Freeport Fund is precluded from making investments if it would give rise to a conflict of interest. Generally, a conflict of interest may arise if any associate (within the meaning of the SBA regulations) of the Freeport Fund has or makes an investment in the portfolio company or serves as one of its officers or directors or would otherwise benefit from the financing. Joint investing with an associate (such as another fund controlled by our affiliates or the General Partner of the Freeport Fund) may be made on the same terms and conditions and at the same time or on terms that are fair to the Freeport Fund. The General Partner of the Freeport Fund may also establish an advisory committee comprised of up to five representatives of the limited partners to address matters involving conflicts of interest involving the Freeport Fund or the General Partner of the Freeport Fund and its affiliates, subject to any required approvals from the SBA.

We have established internal procedures to identify and manage such conflicts. Pursuant to our Code of Ethics, each of our employees is required to submit to our Chief Compliance Officer a report of the employee's securities holdings (which must be updated annually), as well as provide to our Chief Compliance Officer a report of any personal securities transactions on a quarterly basis. In addition to these reports, our employees have an obligation to report any personal conflict of interest to our Chief Compliance Officer as such conflict becomes known. Our employees must obtain our Chief Compliance Officer's prior approval before buying or selling any covered security, including, but not limited to, stocks, bonds, puts, calls, options, and partnership or limited liability interests. In addition, our employees are prohibited from purchasing securities issued in an initial public offering or in a private placement of securities (including an investment in a Freeport Fund), without obtaining pre-approval in writing from our Chief Compliance Officer.

To prevent insider trading and other inappropriate forms of personal trading activities, we also maintain "restricted list" procedures. Under these procedures, our Chief Compliance Officer will

place any securities of publicly-traded companies for which we can be deemed to possess material, non-public information on a “restricted list.” Employees must report the receipt of any such information to the Chief Compliance Officer or his designee, and are strictly prohibited from trading in securities (including, without limitation, equity, debt or options) on the restricted list for their own account.

D. Personal Trading Contemporaneous with Client Transactions

See Item 11.A., 11.B. and 11.C above.

Item 12. Brokerage Practices

A. Selection of Broker-Dealers

Our business is advising the Freeport Fund on making investments primarily in senior secured loans to middle market borrowers backed by private equity firms. Accordingly, as a general matter we do not advise our clients on investments in public securities, and generally do not transact a marketable securities business through broker-dealers. However, in situations where we may need to select a broker-dealer, we will consider the broker’s execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery timelines and ability to obtain best execution for all client securities transactions. Under these circumstances, we could engage the Moelis broker-dealer or its affiliated broker-dealers to provide brokerage services to our clients.

1) Research and Other Soft Dollar Benefits

Given the nature of the investments made on behalf of clients, we do not typically make investments in listed companies. As a result, we do not have any soft dollar arrangements in place that would require us to give any specified amount of brokerage to any broker-dealer. We may receive unsolicited research from brokers, dealers and banks through which we execute portfolio trades or hold accounts. In circumstances in which we use such research, the quality and ability to receive research may factor into the selection of brokers, dealers and banks executing portfolio trades. Even in these cases, the broker-dealers are still evaluated in accordance with the criteria listed under Item 12A above.

2) Brokerage for Investment Referrals

We do not consider whether we, or a related person, receive investor referrals from a broker-dealer or a third party when selecting or recommending broker-dealers.

3) Directed Brokerage

Directed brokerage occurs when an adviser recommends, requests or requires that a client direct an adviser to execute transactions through a specified broker-dealer, or when a client requires an adviser to do so. In the limited occasions when we do require the services of a broker-dealer, we would generally have the authority to select the broker-dealer our clients will use.

B. Aggregation of Orders of Securities for Client Accounts

Given the nature of the investments we make on behalf of the Freeport Fund, we do not typically make investments in listed companies. As we have a single client, we have no opportunity to aggregate orders.

Item 13. Review of Accounts

A. Periodic Review of Client Accounts

Our investment team professionals and financial operations professionals review the operations of the Freeport Fund on a periodic basis and are supported by an experienced third party fund administrator in this regard. Freeport professionals monitor operations, overall performance, financial performance and strategic direction of each portfolio company. Each portfolio company typically provides us with monthly and quarterly reports regarding its financial status and performance (internally generated financial statements, borrowing base certificates and certificates pertaining to continuing maintenance of certain representations and warranties and management discussion and analysis of the most recent period performance). Our Investment Committee also performs monthly/quarterly comprehensive reviews of each portfolio company.

B. Factors that Trigger a Review of Client Accounts

Our investment professionals review the portfolio investments on a periodic basis.

C. Reports to Investors

We will provide audited and certified financial statements as of the end of each fiscal year for the Freeport Fund by a firm of independent certified public accountants starting with the fiscal year ending December 31, 2013. We will also provide a report prepared in accordance with the provisions of the SBIC Act regarding financial reporting for the Freeport Fund as of the end of each fiscal year. After the end of each fiscal quarter, we will provide a statement of changes in capital accounts and a letter from the General Partner of the Freeport Fund describing the Fund's investment activities for that quarter.

Item 14. Client Referrals and Other Compensation

A. Client Referrals

Generally, we do not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to our clients. The General Partner of the Freeport Fund may from time to time, however, receive fees or other payments from portfolio companies in respect of investments completed by the Freeport Fund, such as financing, finders, advisory, management services, directors, transaction or loan amendment fees from portfolio companies. These fees will be paid directly over to the Freeport Fund if received by the General Partner of the Freeport Fund.

B. Compensation for Client Referrals

While not a client solicitation arrangement, Freeport may from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interest made by such potential investors to such Freeport Fund that are subsequently accepted. Such Freeport Fund may, subject to any limitations set forth in its Governing Documents, reimburse such fees.

Item 15. Custody

We will not take or maintain physical custody of any client assets, and will, in accordance with the Investment Advisers Act of 1940, as amended, conduct all business operations in such a way that all client assets will be preserved in the safekeeping of independent “qualified custodians.” Our clients’ custodian will generally be banks, or broker-dealers unaffiliated with us.

We and the General Partner may be deemed to have custody of the Freeport Fund’s assets. Investors in the Freeport Fund receive audited financial statements from us within 120 days of the end of each fiscal year.

The Freeport Fund’s fund administrator sends periodic statements to investors in the Freeport Fund.

Item 16. Investment Discretion

We have complete discretionary authority to manage the portfolio of the Freeport Fund. This authority is not limited by the Freeport Fund’s governing documents.

Item 17. Voting Client Securities

A. Authority to Vote Client Securities

Although our investment programs do not typically involve publicly-traded securities, where such securities are involved, we believe our policies and procedures are reasonably designed to ensure that proxies are voted in the best interests of clients and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. The relevant Freeport investment staff vote proxies in accordance with our proxy voting guidelines, unless a Freeport Fund's ownership of securities is subject to a voting agreement or shareholders' agreement, in which case any such voting or shareholders' agreement will control in the event of a conflict between the terms of such agreement and our proxy voting guidelines.

Our proxy guidelines require our Investment Committee or its designee to review all proxies prior to submission. The Investment Committee or a designee coordinates the receipt of each proxy, the communication of the votes to third parties, and the maintenance of all supporting documentation.

Our general policy is to vote proxy proposals, amendments, consents or resolutions relating to portfolio companies of the Freeport Fund (collectively, "proxies") in a manner that serves the best interest of the Freeport Fund, as determined by us in our discretion, taking into account relevant factors, including:

- The impact on the value of the returns of the Freeport Fund;
- alignment of portfolio company management's interest with the Freeport Fund's interest, including establishing appropriate incentives for management;
- the ongoing relationship between the Freeport Fund and the portfolio companies in which it invests, including the continued or increased availability of portfolio information

For routine matters, we generally vote proxies in accordance with the recommendation of the portfolio company's management, unless we believe such recommendation is not in the best interest of the client. For non-routine matters, such as changing the state of incorporation or extending shareholders' rights, we typically vote in support of management, but decide these matters on a case-by-case basis.

When any proxy raises material conflicts between us or our employees and one of our clients, such conflict will be fully disclosed to the Chief Compliance Officer. In the event of a conflict, we will vote the proxy in a manner we determine to be in the best interest of the client, provided that such vote is not against our own interest in the matter. If we believe we should vote in a way that may also benefit, or be perceived to benefit, our own interest, then we must take action in accordance with the client's governing agreement, which may include disclosure of the facts surrounding any such conflict to the LP Advisory Committee of the applicable Freeport Fund and obtaining its consent before voting such proxy.

We will maintain a file or database of (i) our proxy voting policies and procedures; (ii) proxy statements received regarding client securities; (iii) records of votes cast by us on behalf of clients; (iv) records of client requests for proxy voting information; and (v) any documents

prepared by us that were material to the voting decision, for two years in our offices and for three years in an easily accessible location.

Investors in the Freeport Fund may request further information regarding our proxy voting policies and procedures, or how we have voted on specific proxies, from the Investment Committee or designee at (312) 281-4600 or by email at FreeportCompliance@freeportfinancial.com.

Some of our investment professionals may serve as directors on the boards of portfolio companies held by the Freeport Fund. To the extent a vote of directors replicates the voting of a proxy, our investment professionals are generally expected to apply the principles found in our proxy voting guidelines when making such directorial decisions.

Item 18. Financial Information

A. Financial Conditions Likely to Impair Contractual Commitments

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to clients.

B. Bankruptcy Petitions

We have not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State-Registered Advisers

This Item is not applicable. We are not registered with any state securities authority.

Brochure Supplement

David Allen

February 2013

**Freeport Financial Partners LLC
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This *brochure supplement* provides information about David Allen that supplements the Freeport Financial Partners LLC (“MCP”) *firm brochure*. You should have received a copy of that *firm brochure*. Please contact Freeport Financial Partners LLC Chief Compliance Officer, Joseph Walker, at (312) 281-4600 if you did not receive the *firm brochure* or if you have any questions about the contents of this supplement.

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

Item 2. Educational Background and Business Experience

Name: David Allen

Year of Birth: 1966

Education:

B.A. Economics and History, Northwestern University, 1988

M.B.A., Finance and Accounting, University of Chicago Booth School of Business, 1996

Career Summary:

Business Experience:

Managing Director, Freeport Financial Partners LLC, 2013 - Present

Managing Director, NXT Capital, LLC 2010-2012

Managing Director and Partner, Brimar Capital Advisors LLC and Fulcrum Strategy, LLC 2009-2010

Co-Founder and Managing Director, Freeport Financial LLC, 2005-2009

Item 3. Disciplinary Information

There are no legal or disciplinary matters that would be material to a client's or prospective client's evaluation of Mr. Allen.

Item 4. Other Business Activities

Mr. Allen does not engage in any other business activities, which represent more than ten percent of his time and income.

Item 5. Additional Compensation

Mr. Allen does not receive any additional compensation for providing advisory services outside of his role at Freeport Financial Partners LLC.

Item 6. Supervision

In his capacity as Managing Director, Mr. Allen is supervised by Freeport Financial Partner LLC's Management Committee. The Management Committee sets Freeport Financial Partner LLC's business objectives and strategic direction. Freeport Financial Partner LLC's Investment Committee also makes investment decisions on behalf of Freeport Financial Partner LLC's discretionary clients.

Mr. Joseph Walker of the Management Committee may be contacted regarding Mr. Allen's supervision. He may be reached at 312-281-4600

Item 1. Cover Page

Brochure Supplement

Matthew Gerdes

February 2013

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This *brochure supplement* provides information about Matthew Gerdes that supplements the Freeport Financial Partners LLC *firm brochure*. You should have received a copy of that *firm brochure*. Please contact the Freeport Financial Partners LLC Chief Compliance Officer, Joseph Walker, at (312) 281-4600 if you did not receive the *firm brochure* or if you have any questions about the contents of this supplement.

Additional information about Matthew Gerdes is available on the SEC's website at www.adviserinfo.sec.gov.

Name: Matthew Gerdes

Year of Birth: 1970

Education:

B.S. in Finance, *cum laude*, Northern Illinois University, 1992
M.B.A., University of Illinois at Urbana-Champaign, 1994

Career Summary:

Business Experience:

Co-founder and Managing Director, Freeport Financial Partners LLC, 2012 - Present
Managing Director, Freeport Financial LLC, 2006-2012

Item 3. Disciplinary Information

There are no legal or disciplinary matters that would be material to a client's or prospective client's evaluation of Mr. Gerdes.

Item 4. Other Business Activities

Mr. Gerdes does not engage in any other business activities, which represent more than ten percent of his time and income.

Item 5. Additional Compensation

Mr. Gerdes does not receive any additional compensation for providing advisory services outside of his role at Freeport Financial Partners LLC.

Item 6. Supervision

In his capacity as Managing Director, Mr. Gerdes is supervised by Freeport Financial Partner LLC's Management Committee. The Management Committee sets Freeport Financial Partner LLC's business objectives and strategic direction. Freeport Financial Partner LLC's Investment Committee also makes investment decisions on behalf of Freeport Financial Partner LLC's discretionary clients.

Mr. Joseph Walker of the Management Committee may be contacted regarding Mr. Gerdes' supervision. He may be reached at 312-281-4600.

Brochure Supplement

Joshua Howie

February 2013

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This *brochure supplement* provides information about Joshua Howie that supplements the Freeport Financial Partners LLC *firm brochure*. You should have received a copy of that *firm brochure*. Please contact the Freeport Financial Partners LLC Chief Compliance Officer, Joseph Walker, at (312) 281-4600 if you did not receive the *firm brochure* or if you have any questions about the contents of this supplement.

Additional information about Joshua Howie is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Name: Joshua Howie

Year of Birth: 1974

Education:

B.A. in Economics, Kalamazoo College, 1996

M.B.A., Kellogg School of Management at Northwestern University, 2003

Career Summary:

Business Experience:

Co-founder and Managing Director, Freeport Financial Partners LLC, 2012 - Present

Co-founder and Managing Director, Freeport Financial LLC, 2006-2012

Item 3. Disciplinary Information

There are no legal or disciplinary matters that would be material to a client's or prospective client's evaluation of Mr. Howie.

Item 4. Other Business Activities

Mr. Howie does not engage in any other business activities, which represent more than ten percent of his time and income.

Item 5. Additional Compensation

Mr. Howie does not receive any additional compensation for providing advisory services outside of his role at Freeport Financial Partners LLC.

Item 6. Supervision

In his capacity as Managing Director, Mr. Howie is supervised by Freeport Financial Partner LLC's Management Committee. The Management Committee sets Freeport Financial Partner LLC's business objectives and strategic direction. Freeport Financial Partner LLC's Investment Committee also makes investment decisions on behalf of Freeport Financial Partner LLC's discretionary clients.

Mr. Matthew Gerdes of the Management Committee may be contacted regarding Mr. Howie's supervision. He may be reached at 312-281-4600.

Brochure Supplement

Stephen Papalas

February 2013

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This *brochure supplement* provides information about Stephen Papalas that supplements the Freeport Financial Partners LLC (“MCP”) *firm brochure*. You should have received a copy of that *firm brochure*. Please contact Freeport Financial Partners LLC Chief Compliance Officer, Joseph Walker, at (312) 281-4600 if you did not receive the *firm brochure* or if you have any questions about the contents of this supplement.

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

Item 2. Educational Background and Business Experience

Name: Stephen Papalas

Year of Birth: 1968

Education:

B.S. in Aerospace Engineering, University of Michigan, 1990

M.B.A., *Highest Distinction*, Ross School of Business, University of Michigan, 2000

Career Summary:

Business Experience:

Co-founder and Managing Director, Freeport Financial Partners LLC, 2012 - Present

Co-founder and Managing Director, Freeport Financial LLC, 2005-2012

Item 3. Disciplinary Information

There are no legal or disciplinary matters that would be material to a client's or prospective client's evaluation of Mr. Papalas.

Item 4. Other Business Activities

Mr. Papalas serves on the board of directors of a portfolio company of Freeport Financial LLC. He is not compensated for this activity.

Item 5. Additional Compensation

Mr. Papalas does not receive any additional compensation for providing advisory services outside of his role at Freeport Financial Partners LLC.

Item 6. Supervision

In his capacity as Managing Director, Mr. Papalas is supervised by Freeport Financial Partner LLC's Management Committee. The Management Committee sets Freeport Financial Partner LLC's business objectives and strategic direction. Freeport Financial Partner LLC's Investment Committee also makes investment decisions on behalf of Freeport Financial Partner LLC's discretionary clients.

Mr. Joshua Howie of the Management Committee may be contacted regarding Mr. Papalas' supervision. He may be reached at 312-281-4600.

Brochure Supplement

Joseph Walker

February 2013

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This *brochure supplement* provides information about Joseph Walker that supplements the Freeport Financial Partners LLC *firm brochure*. You should have received a copy of that *firm brochure*. Please contact Freeport Financial Partners LLC Chief Compliance Officer, Joseph Walker, at (312) 281-4600 if you did not receive the *firm brochure* or if you have any questions about the contents of this supplement.

Additional information about Joseph Walker is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Name: Joseph Walker

Year of Birth: 1970

Education:

B.S. in Management, *summa cum laude*, Carroll School of Management, Boston College, 1992

J.D., *cum laude*, University of Notre Dame Law School, 1995

M.B.A., Ross School of Business, University of Michigan, 2001

Career Summary:

Business Experience:

Co-founder and Managing Director, Freeport Financial Partners LLC, 2012 - Present

Co-founder and Managing Director, Freeport Financial LLC, 2005-2012

Item 3. Disciplinary Information

There are no legal or disciplinary matters that would be material to a client's or prospective client's evaluation of Mr. Walker.

Item 4. Other Business Activities

Mr. Walker serves on the board of directors of a portfolio company of Freeport Financial LLC. He is not compensated for this activity.

Item 5. Additional Compensation

Mr. Walker does not receive any additional compensation for providing advisory services outside of his role at Freeport Financial Partners LLC.

Item 6. Supervision

In his capacity as Managing Director, Mr. Walker is supervised by Freeport Financial Partner LLC's Management Committee. The Management Committee sets Freeport Financial Partner LLC's business objectives and strategic direction. Freeport Financial Partner LLC's Investment Committee also makes investment decisions on behalf of Freeport Financial Partner LLC's discretionary clients.

Mr. Stephen Papalas of the Management Committee may be contacted regarding Mr. Walker's supervision. He may be reached at 312-281-4600.