

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

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This Brochure provides information about the qualifications and business practices of Bitterroot Capital Advisors, LLC. If you have any questions about this Brochure, please contact Andrew S. Martzloff at (406) 556-8200.

Item 2 Material Changes

Material Changes

None

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Advisory Services Offered by Bitterroot Capital

We primarily provide **investment supervisory services**; in addition, we offer **investment advice through consultations not involving investment supervisory services**, and **occasional advice regarding other financial matters not involving securities**.

We provide discretionary “investment supervisory services,” which consist of investing on a discretionary basis on behalf of clients in stocks, bonds, investment partnerships or other securities or investments. We also provide non-discretionary “investment supervisory services,” which consist of determining asset allocation strategies for clients across the universe of asset classes, recommending investments (generally through investment managers, investment companies or private investment partnerships) to implement the strategy, monitoring the recommended investment, and reviewing the performance with clients.

“Investment advice through consultations not involving investment supervisory services” consists of advice regarding securities other than the discretionary, recommended or overseen investments described above. This advice primarily relates to concentrated equity positions acquired by clients prior to, and independent of, their relationship with Bitterroot Capital.

“Occasional advice regarding other financial matters not involving securities” involves evaluation of cash flow and estate planning for clients. We work with other client advisors, such as attorneys, to develop comprehensive plans that include an investment perspective.

Bitterroot Capital offers advice on the following types of investments: equity securities including exchange-listed securities, securities traded over-the-counter, and foreign issues; warrants; corporate debt securities; commercial paper; certificates of deposit; municipal securities; mutual fund securities; United States government securities; option contracts on securities; real estate; oil and gas interests; hedge funds and private partnerships investing in venture capital, risk arbitrage, special situations, and distressed securities; and private placements and privately held businesses, among others.

Fees and Compensation for Our Advisory Services

We offer investment advisory services for a percentage of assets under management, as well as for a fixed fee, which does not include any applicable subscription fees.

Bitterroot Capital negotiates an annual retainer with clients covering the services described in Item 4. When doing so, Bitterroot Capital considers such factors as the value and nature of client assets with respect to which we will be providing services, whether we provide discretionary or non-discretionary services, and other factors.

There is not a fixed minimum value of overall client assets; the retainer for services is \$200,000 unless waived by Bitterroot Capital. In addition, Bitterroot Capital does not impose a minimum dollar value of assets or other conditions for starting or maintaining an account.

Bitterroot Capital may waive all or part of its minimum annual fee in its discretion and may have lower fee arrangements with existing clients or otherwise negotiate different fee arrangements in certain circumstances.

While we believe that our fees are similar and competitive to fees charged by other advisory firms for similar services, comparable service may be available from other sources for lower fees.

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

This section does not apply to Bitterroot Capital.

Item 7 Types of Clients

The types of clients Bitterroot Capital generally provides advisory services to includes, but is not limited to, the following: individuals, banks or thrift institutions, trusts, estates, charitable organizations, corporations or business organizations.

Methods of Analysis

Bitterroot Capital utilizes “third party” software to analyze historical and current returns, volatility, cross-correlations, and other factors to develop individualized target allocation recommendations. The “third party” software employs returns-based style analysis, optimization, and “Monte Carlo” simulations, among other techniques, to develop target allocation recommendations.

The primary sources of information analyzed include historical returns for mutual funds, individual securities, broad asset categories (e.g., large-capitalization U.S. equity returns, money market returns, foreign equity returns, etc.), security-specific information (mutual fund fees), and current market data information (such as S&P 500 historical Price Earnings). Bitterroot Capital also uses publically available information from sources such as financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

Bitterroot Capital prepares forecasts through the use of simulations, which are hypothetical economic scenarios based upon analysis of historic and current returns, volatility, cross-correlations, market valuations, and other factors. Bitterroot Capital creates various hypothetical future economic scenarios to evaluate how client portfolios might perform under a variety of circumstances, including changing interest rates, inflation, and market conditions. The forecasts represent a number of scenarios in which the client's portfolio would be sufficient to meet or exceed the investment goal at the end of the time horizon. Bitterroot Capital also may include information about stock options, concentrated equity positions and private investments in a financial goal forecast.

Investment Strategies

Bitterroot Capital generally uses diversification in an effort to optimize the risk and potential return of a client portfolio. Bitterroot Capital may utilize multiple asset classes, investment styles, market capitalizations, sectors, and regions to provide diversification. Each client's portfolio selection is determined in accordance with the client's investment objectives, risk tolerance, and time horizon. Bitterroot Capital's general investment strategy is to seek real capital growth proportionate with the level of risk the client is willing to take.

Bitterroot Capital produces, with the input of our clients, an Investment Policy Statement that typically outlines the client's investment experience, objectives, time horizon, risk tolerance, cash flow needs, tax positioning, and any special considerations and/or restrictions the client chooses to place on the portfolio. Bitterroot Capital will make portfolio recommendations consistent with the client's Investment Policy Statement (or Investment Guidelines).

Client portfolios with similar investment objectives and asset allocation goals may own different investments. Timing and tax factors influence investment recommendations. Generally, Bitterroot Capital reviews each client's portfolio quarterly to evaluate the extent to which the actual allocation deviates from the target allocation. If Bitterroot Capital considers a variance excessive, Bitterroot Capital will recommend actions to bring the actual allocation within acceptable range of the target allocation. Bitterroot Capital refers to this process as "rebalancing" and believes that all investments are subject to cycles and that this process of rebalancing offers a systematic process to help us adjust the portfolios to reflect market conditions and client specific changes in risk tolerance.

Implementation – Manager Selection

Bitterroot Capital primarily recommends implementing asset allocation strategies through the following investment vehicles: mutual funds, exchange traded funds, separately managed accounts, hedge funds, limited partnerships, or pooled investments. Generally, Bitterroot Capital does not recommend the purchase of single security positions such as stocks or bonds unless they are client-directed. Bitterroot Capital performs a due diligence process on investments recommended to clients ensuring the manager's fit to the particular client's portfolio.

Risk of Loss

Although Bitterroot Capital will recommend investment strategies designed to be prudent and diversified, all the investments that we recommend involve some risk, including the possible loss of principal. The fluctuations in the financial markets and other factors may cause declines in the value of client portfolios. There is no guarantee that any particular asset allocation or mix of funds will meet a client's investment objectives or provide the client with a given level of income. Diversification does not ensure a profit or protect against a loss in a declining market. There is no assurance that the client will achieve positive investment results by utilizing Bitterroot Capital services. Bitterroot Capital cannot guarantee the future performance of client investments.

Types of Potential Risk in Client Portfolios

General

Although Bitterroot Capital works diligently to preserve clients' capital and achieve preservation and growth of client wealth, investing in funds (securities) by its nature involves risk of loss that clients should be prepared to bear. The possibility of a total or partial loss of client capital exists, and prospective clients and investors should not invest unless they can readily bear the consequences of such loss.

No Assurance of Returns; Past Performance Results

There can be no assurance that the client's specific portfolio will perform well or achieve its investment objectives. Past performance is not indicative of future results. Similarly, the historical performance of any underlying advisor is not a guarantee or prediction of the future performance of its advice.

Reliance on Key Personnel

While Bitterroot Capital has significant depth and experience in investing, and specifically across major asset classes, the loss of managing directors or other officers could adversely impact the firm's ability to successfully implement investment strategies.

Availability of Suitable Opportunities

The success of a client portfolio as a whole depends on the ability of Bitterroot Capital to identify and invest in underlying funds or other investments that meet the desired investment criteria. The identification of an attractive fund does not ensure that a client will be able to invest capital in the particular fund, given the high level of investor demand some funds receive.

Due Diligence Errors

It is possible that Bitterroot Capital may miss or misinterpret information during its due diligence. We have established procedures to mitigate this risk, but there is no assurance they will be successful in any particular situation. An underlying manager could be engaged in wrongdoing that is not uncovered by the due diligence process.

General Risks Relating to Portfolio Managers, Other Financial Intermediaries and Counterparties

In connection with investments in underlying investment vehicles ("Investment Vehicles"), clients will be dependent upon underlying managers, which may have custody and control of client assets invested in such Investment Vehicles. The failure of an underlying manager or financial intermediary to fulfill its obligations may have a material adverse effect on the related investment and overall performance. If any underlying manager, any other financial intermediary, or any of such underlying manager's or financial intermediary's counterparties becomes insolvent or files for bankruptcy, a client could suffer losses and its financial performance could be materially and adversely affected. In addition, such insolvency or bankruptcy could undermine access to assets on a temporary or permanent basis and result in a partial or complete loss of the related investments.

Non-U.S. Investments

It is anticipated that where appropriate, clients will invest directly or indirectly in investments outside the United States. Any investment in a foreign country involves risks not found in the domestic securities market, including the following: the risk of economic and financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending; the risk of adverse social and political developments, including expropriation, nationalization, confiscation without fair compensation, political and social instability and war; the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities; risks related to the possible lack of availability of sufficient financial information as a result of corporate governance, accounting, auditing and financial disclosure standards that differ, in some cases significantly, from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors, which may not be as comprehensive or well developed as those in the United States, and the procedures for the judicial or other enforcement of such rights, which may not be as effective as in the United States; risks related to the fact that some investments may be denominated in foreign currencies and therefore will be subject to fluctuations in exchange rates; and risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation and an unanticipated local tax liability.

Emerging Markets

Investing in companies based in emerging markets, which are underdeveloped or developing economies, involves certain considerations not usually associated with investing in companies located in more developed countries, including political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities markets in emerging markets and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; inconsistencies among local, regional and national laws; and certain government policies that may restrict investment opportunities. A client portfolio or underlying manager may face difficult approval and registration procedures when making or disposing of investments, and, as a foreigner, may be subject to legal or regulatory constraints or prejudices that do not affect local investors. In addition, the reporting standards, practices and disclosure requirements in emerging markets are not equivalent to those in the United States and certain Western European countries and may differ in fundamental ways. Accordingly, less information may be available to investors. Investments in emerging markets could be affected by other factors not present in more developed countries, including lack of uniform accounting, auditing and financial reporting standards, inadequate settlement procedures and potential difficulties in enforcing contractual obligations.

Foreign Exchange Risks

In the case of investments in securities that are not denominated in U.S. dollars, any fluctuation in currency exchange rates will affect the value of such investments and the returns ultimately achieved. In addition, costs may be incurred in connection with conversions between various currencies.

Market Risk

Status of Markets

In recent times, economic markets have experienced a period of unprecedented stress. The availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems that Bitterroot Capital and investments may depend upon to achieve objectives may have a significant negative impact on private fund operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for investments or for private funds to operate successfully.

Economic Conditions

Any investment activity may be adversely affected by general international or domestic economic or market conditions. A downturn or contraction in the economy or capital markets, or in certain industry or geographical regions thereof, may prevent investors from meeting investment objectives by restricting the availability of suitable investment opportunities. In addition, such a downturn could result in the diminution or loss in value of a client's investments. Unexpected volatility or illiquidity in the markets in which clients or Portfolio Funds hold positions or in which direct investments are held could impair their ability to carry out their business or cause them to incur losses.

Suspensions of Trading

Securities, futures and commodities exchanges typically can suspend or limit trading in any instrument traded on the exchange. A suspension could render it impossible for an underlying manager to liquidate positions and expose clients to losses.

Lack of Liquidity

Despite the heavy volume of trading in securities and other financial instruments, the markets for some instruments have limited liquidity and depth or may in the future experience periods of limited liquidity and depth. This lack of liquidity could be a disadvantage to clients, both in the realization of the prices that are quoted and in the execution of orders at desired prices. Accordingly, Investment Vehicles may be required to hold investments for a longer period of time than desired or may be required to mark down the value of investments that are subject to such limited liquidity. In addition, it is likely that a portion of a client's portfolio will be illiquid.

Strategy Risk

Inadvertent Concentration

A number of Investment Vehicles may have overlapping strategies and could accumulate large positions in the same or related securities. Bitterroot Capital's ability to avoid such concentration would depend on its ability to reallocate capital among existing or new Investment Vehicles, which might not be feasible for several months until withdrawals and contributions are permitted by the Investment Vehicles.

Leverage (Borrowed Money)

It is anticipated that certain Investment Vehicles will use leverage in their investing, which would increase the potential for loss as well as transaction expenses.

Short Selling

Some Investment Vehicles may sell securities short, which exposes the seller to theoretically unlimited risk due to the lack of an upper limit on the price to which the security may rise. Short selling also involves the sale of borrowed stock, so that if the stock loan is called, the short seller may be forced to repurchase the stock at a loss. In addition, short selling carries the risk of failure to perform by the counterparty to the transaction or the risk that the counterparty will default on its obligations.

Non-Marketable Securities

Some Investment Vehicles may invest in non-marketable securities, which are generally difficult to liquidate and price.

Derivatives

Investment Vehicles may use derivatives, such as options, futures and swaps. The derivatives market is, in general, a relatively new market and there are uncertainties as to how it will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Substantial risks are also involved in borrowing and lending against derivatives. Derivatives prices can be volatile, market movements are difficult to predict, and financing sources and related interest rates are subject to rapid change. Certain derivatives also involve embedded leverage, and a relatively small price movement may result in substantial losses to the Investment Vehicles. One or more markets may move against the derivatives positions held by an Investment Vehicle, thereby causing substantial losses. To date, most of these instruments have not been traded on exchanges but rather through an informal network of banks and dealers that have no obligation to make markets in them and can apply essentially discretionary margin and credit requirements (and thus in effect force an underlying manager to close out positions). In addition, some derivatives carry the risk of failure to perform by the counterparty to the transaction or the risk that the counterparty will default on its obligation to return collateral or other assets of the Investment Vehicle. Many unforeseeable events, such as government policies, can have significant effects on interest and exchange rates, which in turn can have large and sudden effects on prices of derivative instruments.

Futures

Some Investment Vehicles may take positions in commodity futures contracts. Commodity futures prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.

Hedging and Other Trading Strategies

The decision as to when and to what extent to hedge or follow other trading strategies depends on many factors. There can be no assurance that hedging or other trading strategies will be available or effective or that the performance of the hedge will correspond appropriately to that of the assets hedged.

Fixed Income Securities

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, the rate of inflation, and general market liquidity (*i.e.*, market risk). In addition, MBS and ABS may also be subject to call risk and extension risk. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can either shorten (*i.e.*, call risk) or lengthen (*i.e.*, extension risk).

High Yield Debt; Distressed Debt

High yield bonds (commonly known as "junk bonds"), distressed debt instruments, and other debt securities in which Investment Vehicles may invest will typically be junior to the obligations of companies to senior creditors, trade creditors, and employees. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the issuer or in general economic, financial, competitive, regulatory, or other conditions may impair the ability of the issuer to make payments of principal and interest. High yield debt securities have historically experienced greater default rates than investment grade securities. The ability of holders of high yield debt to influence a company's affairs, especially during periods of financial distress or following insolvency, will be substantially less than that of senior creditors.

Adverse changes in economic conditions or developments regarding an individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of high-yield debt securities to make principal and interest payments than issuers of higher grade debt securities. In addition, the market for lower grade debt securities may be thinner and less active than for higher grade debt securities, and thus less liquid because, among other reasons, certain investors, due to their investment mandates, are precluded from owning such securities. This could result in an Investment Vehicle being unable to sell such securities for an extended period of time, if at all.

Public Equity Securities

Investment Vehicles and underlying managers may invest long and short in publicly traded equity securities. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments may decline over short or extended periods. The stock markets tend to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. The volatility of equity securities means that the value of an investment may increase or decrease.

Small Capitalization Companies

Investment Vehicles and underlying managers may invest in securities of small capitalization and recently organized companies, and conversely, the Investment Vehicles may establish significant short positions in such securities. Historically, such securities have been more volatile in price than those of larger, capitalized, more established companies and pose greater investment risks. Small capitalization companies may require substantial additional capital or borrowings. There is often less publicly available information concerning such companies, and their equity securities are often traded over-the-counter or on regional exchanges and may be less liquid than companies traded on a national exchange. Investments in small capitalization companies may also be more difficult to value than other types of securities. Investments in companies with limited or no operating histories are more speculative and entail greater risk than do investments in companies with an established operating record.

Growth Stock Risk

Certain Investment Vehicles or underlying managers invest in “growth” stocks. Securities of growth companies may be more volatile since such companies usually invest a high portion of earnings in their business, and they may lack the dividends of value stocks that can cushion stock prices in a falling market. In addition, earnings disappointments often lead to sharply falling prices because investors buy growth stocks in anticipation of superior earnings growth.

Value Stock Risk

Certain Investment Vehicles or underlying managers invest in “value” stocks. A particular risk of a value approach is that some holdings may not recover and provide the capital growth anticipated or that a stock judged to be undervalued may actually be appropriately priced. Further, because the prices of value-oriented securities tend to correlate more closely with economic cycles than growth-oriented securities, they generally are more sensitive to changing economic conditions, such as changes in interest rates, corporate earnings, and industrial production. The market may not favor value-oriented stocks and may not favor equities at all. During those periods, relative performance may suffer.

Equity/Global Hedge

The Equity/Global Hedge strategy primarily involves investments in publicly traded equity instruments generally in developed countries. This strategy involves identifying securities that are mispriced relative to related securities, groups of securities, or the overall market. The strategy may rely on the use of derivatives, leverage and a number of assumptions about the intrinsic value of publicly traded equity instruments. There can be no assurance that such assumptions will prove to be correct or that the strategy will be implemented correctly.

Real Estate Investing

A portion of capital may be allocated to Investment Vehicles and/or direct investments concentrating in real estate investments. While real estate investing presents the potential for significant capital appreciation, such investments also involve a high degree of risk, including a significant degree of financial, operating, illiquidity, and competitive risk. Frequently, such funds structure their investments with the use of leverage. While the use of leverage will enhance the returns on a successful investment, a leveraged capital structure will be subject to increased exposure to extreme economic conditions, such as a significant rise in interest rates, or a severe downturn in the economy, enhancing the risk of loss entailed in the investment.

Energy and Timber Investments

A portion of capital may be allocated to Investment Vehicles concentrating in energy, timber or other real asset situations. Such investments are likely to be subject to the same or similar risks described in the preceding paragraph.

Buyouts/Growth Capital

Buyout and growth capital funds frequently structure their investments with the use of leverage. While the use of leverage may enhance the returns on a successful investment, a company with a leveraged capital structure will be subject to increased exposure to changing economic conditions, such as a significant rise in interest rates, or a downturn in the economy or the company’s industry, enhancing the risk of loss entailed in the investment.

Venture Capital

Venture capital investing involves a high degree of risk. It is anticipated that the portfolio companies of these funds will confront a significant degree of financial, operating, illiquidity, and competitive risk. In addition, many of these companies, due to their limited revenues and history of operating losses, may need to rely on their ability to fund continuing operations via the private and public capital markets. Such continued funding may be curtailed as a result of a variety of factors which may include, but would not be limited to, rising interest rates, downturns in the economy or deterioration in the condition of the company or its industry.

Distressed and Special Situations

While an investment in a distressed company (in distressed financial condition, including reorganized companies emerging from bankruptcy) can be successful if the company is successful in its “turn around,” significant risk exists that a turnaround effort will not be successful and that all or a significant portion of the capital invested in such situations may be lost. “Special situation” investments are opportunistic in nature. It is difficult to project the nature of the special situations and how many commitments will be made to them. Such investments are likely to involve significant risks and illiquidity, and any returns from these investments will be subject to substantial uncertainty.

Limited Liquidity

There is no public market for interests in private funds, and it is not expected that a public market will develop. There will also be substantial restrictions upon the transferability of interests, including the requirement in a partnership agreement that most transfers be approved by the General Partner. There are also other contractual restrictions and restrictions imposed by applicable federal securities laws and the laws and the regulations of other jurisdictions, which may require an indefinite holding period with respect to private fund interests. A purchase of an interest in a private fund should be considered only by persons financially able to maintain their investment and who can afford a loss of all or a substantial part of such investment. In addition, investors who invest through an offshore fund should be aware that an interest in the offshore fund may be less attractive to other investors that are not foreign or tax-exempt entities in the United States, and therefore an interest in an offshore fund may be even less liquid than a direct investment interest in an onshore fund. There is no assurance that any distribution will be made or that fund investments will be successful.

Many recommended private funds have lock-up provisions that prohibit an investor from withdrawing money for a certain period of time, for example 12 to 24 months or significantly longer. Some of these investments require advance notice should an investor seek a full or partial redemption, while other investments last until the fund ends. In addition, payment of a full cash redemption sometimes takes time.

Illiquid Investments

Investments in certain portfolio funds, including private equity and real assets, will be illiquid and entail a high degree of risk. An investor in an illiquid portfolio fund may be expected to hold its investment in the portfolio fund for the entire life of the portfolio fund, which is typically seven to ten years or more.

The underlying investments of a portfolio fund, at any given time, may consist of significant amounts of securities and other financial instruments that are very thinly traded, or for which no market exists, or which are restricted as to their transferability under U.S. federal or state or non-United States securities laws. In some cases, portfolio funds may also be prohibited by contract from selling such securities for a period of time. In other cases, the types of investments made by portfolio funds may require a substantial length of time to liquidate. Consequently, there is a significant risk that the portfolio funds will be unable to realize their investment objectives by sale or other disposition of portfolio company securities at attractive prices, or will otherwise be unable to complete any exit strategy with respect to their portfolio companies. These risks can be further increased by changes in the financial condition or business prospects of the portfolio companies, changes in economic conditions and changes in law.

A portfolio fund may distribute its investments “in kind,” which may be composed of illiquid securities and may be securities issued by a pooled liquidation vehicle. The pooled vehicle may in turn make in-kind distributions of these investments. There can be no assurance that clients or investors would be able to dispose of these investments or that the value of these investments, as determined by either a pooled vehicle or the underlying portfolio fund, will ultimately be realized.

Portfolio Funds and Manager Risk

Unregistered Funds

Some funds recommended by Bitterroot Capital are private limited partnerships or similar structures sold in private placements, and are not registered investment companies under the Investment Company Act of 1940. Some of the underlying managers may not be registered as investment advisers under federal or state law. Interests in the pooled vehicles have not been registered under the Securities Act of 1933. Consequently, clients will not be entitled to certain of the protections of the federal securities laws.

Possible Misconduct by Underlying Managers

Because clients invest through underlying managers or private funds that are separate from Bitterroot Capital and over which Bitterroot Capital does not have physical custody or control, an underlying manager could divert or abscond with a client’s assets, fail to follow its stated investment strategies, issue false reports or engage in other misconduct.

Effect of Carried Interest

The existence of a carried interest payable to the portfolio fund managers may create an incentive for such managers to make riskier or more speculative investments on behalf of their funds than would be the case in the absence of this arrangement.

Key Principals of the Investment Vehicle Managers

Investment Vehicle managers are likely to be dependent on the services of one or a few key individuals. The loss for any reason of the services of a key individual could impair an Investment Vehicles ability to achieve its investment objective.

Increase in Managed Assets

The Fund may invest with underlying managers that are experiencing a significant increase in the assets they manage, which may impair their ability to generate returns on a par with their historical results. In addition, an underlying manager faced with a significant increase in assets to invest may divert from stated strategies into strategies or markets with which it may have little or no experience. This could result in losses to the Investment Vehicle and, thus, the client.

New Strategies

Strategies used by Investment Vehicles may not have been in use during periods of major market stress, disruption or decline. As a result, it is not known how these strategies will perform in these periods.

Tax Considerations

Bitterroot Capital endeavors to furnish tax information as soon as practicable following the end of each year. However, in order to furnish such tax information, we must first receive corresponding tax information from all Investment Vehicles and other investments. Clients may be required to file extensions for any given year, particularly as a result of illiquid investments. The tax liability with respect to income and gains of an Investment Vehicle for a year may exceed the cash withdrawn by or distributed to the investor in respect of such year.

Investing in private funds may involve complex tax issues for particular clients. Bitterroot Capital is not a tax accounting firm, and clients should consult their own tax advisors.

Item 9 Disciplinary Information

Bitterroot Capital has no disciplinary information to report in this section.

Item 10 Other Financial Industry Activities and Affiliations

Bitterroot Capital does not participate in any other financial industry activities or have any other financial industry affiliations.

Code of Ethics

We have adopted a Code of Ethics to ensure that securities transactions by our employees are consistent with our fiduciary duty to our clients and to ensure compliance with legal requirements and our standards of business conduct. The Code of Ethics requires reporting of transaction confirmations and quarterly reporting of such transactions.

We have also adopted a Business Continuity Plan that is designed to allow Bitterroot Capital to resume operations as quickly as possible after a business disruption, depending on the scope and severity of the disruption. Bitterroot Capital's Business Continuity Plan addresses: data back-up and recovery; all mission-critical systems; financial and operational assessments; alternative communications with clients, employees, and regulators; alternate physical location of employees; bank and counter-party impact; and regulatory reporting.

If you want a copy of our Code of Ethics and/or Business Continuity Plan, please send a request to Bitterroot Capital Advisors, L.L.C., Attention: Andrew S. Martzloff, 118 East Main Street, Bozeman, MT 59715 or send an email to asm@bitterrootcapital.com.

Participation or Interest in Client Transactions

Bitterroot Capital holds its Employees to a high standard of integrity and business practices. In order to properly serve its clients, Bitterroot Capital strives to avoid, or to manage, conflicts of interest or the appearance of conflicts of interest. Access Persons must give first priority to Client Accounts for all purchases and sales of Securities before executing transactions for their Personal Accounts, and must conduct their personal trading so as not to conflict with a Client's interests.

Personal Trading

Bitterroot Capital and our related persons buy or sell securities for their own accounts that we also recommend to clients. Bitterroot Capital has implemented procedures to detect and prevent potential conflicts of interest when it (or related persons) recommends to clients the purchase or sale of securities or investment products in which a related person has some financial interest or when related persons buy or sell for themselves securities that Bitterroot Capital or our related persons also recommends to clients.

No trades of any Securities may be affected for an Access Person's personal account without the prior approval by the Chief Compliance Officer or their delegate. Each Access Person must arrange for Bitterroot Capital to receive directly from the brokerage firm or other financial institution copies of brokerage statements and trade confirmations where the personal account is maintained. The Chief Compliance Officer reviews on a quarterly basis, the security transactions of the Access Person's and compares the trades to prior approvals and to recommendations made to clients.

For business or legal reasons, Bitterroot Capital may restrict Access Persons from trading in certain Securities for certain periods. These Securities will appear on the Company's Restricted List. Access Persons are not necessarily barred from trading a Security on the Restricted List, but rather their trades will be closely reviewed to avoid an actual or potential conflict, or an appearance of impropriety.

Annually each Access Person must identify all of his or her Personal Accounts and complete a Holdings Report. In addition each Employee must complete a Disclosure Questionnaire prepared from information contained in Form ADV Part 1 and to sign a certificate stating that the employee has complied with Bitterroot Capital's policies and procedures.

Brokerage Practices and Selection Process

Within the investment guidelines and restriction imposed by our discretionary clients, Bitterroot Capital generally has the authority to determine, without obtaining specific client consent, the securities and amount thereof to be sold or purchased. It is our practice to effect discretionary client transactions in general through numerous brokers. However, clients may direct us to have transactions executed through specified brokers. If such directions are given, we will not exercise our discretionary authority to change a client's brokerage relationship. In addition, non-discretionary clients may, from time to time, request that we have transactions effected through specified brokers on the client's behalf. We may attempt to negotiate for commission discounts for those clients who desire to retain a brokerage relationship. However, clients who direct Bitterroot Capital to use a specific broker may pay higher commission rates or receive less favorable execution transactions than non-directing clients. Due to the fact that different clients may direct that relationships be maintained with several different brokerage firms, we may be unable to obtain volume discounts or best execution for these client-directed brokerage transactions, and there may be some disparity in client commission charges from time to time.

We select brokers on the basis of their execution capabilities and the quality and amount of research and services they provide to Bitterroot Capital. Such research and services include a wide variety of written reports on individual companies and industries of particular interest to us, information on general economic conditions, direct access to leading research analysts throughout the financial community, technical measurement services, as well as making their analysts available to us. Research services furnished by brokers through whom we effect transactions may be used in servicing all of our clients, and not all of these services may necessarily be used by us in connection with accounts that paid commissions to the brokers providing such services.

In selecting brokers or dealers to execute transactions, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission. It is not our practice to negotiate "execution only" commission rates and, in negotiating commission rates, and we may take into account the financial stability or reputation of brokerage firms and the brokerage and research services provided by such brokers. We may direct a client account to pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction, in recognition of the value of the brokerage, research and other services that broker provides. In such a case, the firm determines in good faith that the commission is reasonable in relation to the value of such brokerage, research and other services, viewed in terms of either the specific transaction or Bitterroot Capital's overall responsibilities to its clients. An account may, therefore, pay higher brokerage commissions than are otherwise available.

Reviews and Reviewers of the Client Accounts which we provide Advisory Services

We review all investment advisory accounts at least quarterly. Each review includes analysis of performance and discussion with the investment managers that we recommended to the client that the client has engaged. Unusual market activity and/or performance will prompt more frequent reviews. We also perform regular reviews of selected significant investments made directly by the client without investment manager involvement.

Andrew S. Martzloff reviews all accounts. He is assisted in such reviews by three professionals who perform research and reporting at his discretion.

Nature and Frequency of Regular Reports to Clients on their Accounts

Quarterly or monthly reports to clients cover a description of portfolios, quantitative review of performance and an oral discussion of performance. Andrew S. Martzloff is assisted in performing research and preparing reports by two full-time professional employees.

Item 14 Client Referrals and Other Compensation

Bitterroot Capital may suggest brokers to clients. No compensation is received by Bitterroot Capital in connection, directly or indirectly, with any such referrals. However, research or other products or services are received by Bitterroot Capital in connection with clients' securities transactions. *See discussion above in Item 12, "Brokerage Practices and Selection Process."*

Item 15 Custody

Bitterroot Capital does not have custody of client bank or cash accounts, funds, or securities.

Item 16 Investment Discretion

Bitterroot Capital and/or any related person may have authority to determine, without obtaining specific client consent within the investment guidelines and restriction imposed by its discretionary clients, the securities and amount thereof to be sold or purchased. Bitterroot Capital's discretionary authority may be limited, and directions from clients may outline such limits. In addition, Bitterroot Capital's non-discretionary clients may, from time to time, request that Bitterroot Capital effect transactions through specified brokers on the client's behalf. *See discussion above in Item 12, "Brokerage Practices and Selection Process."*

Item 17 Voting *Client* Securities

It is a general policy of Bitterroot Capital to not vote proxies with respect to proposals submitted for approval by shareholders of companies whose shares are held in client portfolios.

Bitterroot Capital currently has approximately US \$664 million in assets under management.

Item 19 Requirements for State-Registered Advisers

This section does not apply to Bitterroot Capital.