



Aequitas Investment Management, LLC

Form ADV Part 2A – Disclosure Brochure

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This brochure provides information about the qualifications and business practices of Aequitas Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at 503•419•3500. 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.

You can find more information about us at the SEC’s website www.adviserinfo.sec.gov.

Item 2 – Material Changes

This brochure is being updated to provide you with a summary of material changes that were made since it was last updated on April 1, 2013. Specifically, since that date:

- We withdrew our registration as a commodity pool operator with the National Futures Association;
- We have ceased to manage and advise Aequitas Commodities Fund, LLC and deleted our earlier disclosures about that fund, since they have become no longer applicable;
- We added two new private fund investment vehicles to our client list:
 - Aequitas Capital Opportunities Fund, LP
 - Aequitas WRFF I, LLC
- We have updated the fee discussion in Items 5 and 6 to reflect fees related to the two new private fund investment vehicles;
- We revised the Material Risks section in Item 8 to reflect risks associated with the new private fund investment vehicles;
- Our assets under management have increased from \$136.1 million to \$218.9 million;
- We incorporated the Bad Actor Rule to our Code of Ethics policy.
- We incorporated an Identity Theft Prevention/ Red Flags procedure into our Anti-Money Laundering Policy and compliance practices; and
- One of our affiliated entities, ASFG, has been renamed to Campus Student Funding, LLC, and all disclosures regarding ASFG have been updated accordingly.

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Item 4 – Advisory Business

General

Aequitas Investment Management, LLC (referred to as “we,” “us,” or “AIM” in this brochure) was organized as an Oregon limited liability company in 2006. We are a wholly-owned subsidiary of Aequitas Capital Management, Inc. (“ACM”). We have been registered as an investment adviser with the SEC since 2007.¹

Through ACM and other entities, we are primarily owned by the executive officers of AIM and/or ACM. Robert J. Jesenik, the President of AIM and the Chief Executive Officer of ACM, is the only natural person who indirectly owns 25% or more of our voting securities.

As of the date of this brochure, we actively manage 7 private investment vehicles (referred to, collectively, as “our Funds” or the “Funds” in this brochure). We provide no other advisory services. See Item 8 below for information about: (a) the principal investment objective of, and the principal investments made by, each of our Funds; (b) the investment strategies we use in managing our Funds; and (c) the associated risks of those strategies and investments. We cannot guarantee that any Fund will achieve its investment objective.

Notes: Our discussion of the Funds in this brochure is required by the SEC. Nothing in this brochure is, or should be construed as, an offer or solicitation to invest in any of our Funds. All offers to invest are made only by delivery of a private placement memorandum for that Fund to a specific prospective investor who is believed to be eligible or suitable to invest in the Fund.

This brochure describes each of our Funds and includes certain information applicable to investors in our Funds. All information about our Funds included in this brochure summarizes more detailed information provided to investors and prospective investors in the applicable Fund’s governing documents (including that Fund’s private placement memorandum and limited liability company agreement). If any aspect of this brochure is inconsistent with the governing documents of any of our Funds, the governing documents of that Fund will control.

Our Funds

As of the date of this brochure, we actively manage the following Funds:

- **Aequitas Capital Opportunities Fund, LP** (“Capital Opportunities Fund”), a Delaware limited liability company – we are investment adviser to Capital Opportunities Fund.
- **Aequitas WRFF I, LLC** (“WRFF”), a Delaware limited liability company – we are the special member, manager of and investment adviser to WRFF.

¹ Registration as an investment adviser does not imply a certain level of skill or training.

- **Aequitas Income Protection Fund, LLC** (“Income Protection Fund”), a Delaware limited liability company – we are the special member, manager of and investment adviser to Income Protection Fund.
- **Aequitas Income Opportunity Fund, LLC** (“Income Opportunity Fund”), an Oregon limited liability company – we are the manager of and investment adviser to Income Opportunity Fund.
- **Aequitas CarePayment[®] Fund, LLC** (“CarePayment[®] Fund”), a Delaware limited liability company – we are the manager of and investment adviser to CarePayment[®] Fund. CarePayment[®] Fund is being wound up and is not making new investments.
- **Aequitas ETC Founders Fund, LLC** (“ETC Founders Fund”), a Delaware limited liability company – we are the manager of and investment adviser to ETC Founders Fund. ETC Founders Fund is not making new investments and is closed to new investors.
- **Aequitas Hybrid Fund, LLC** (“Hybrid Fund”), a Delaware limited liability company – we are the managing member of and investment adviser to Hybrid Fund. Hybrid Fund is being wound up and is not making new investments.

Assets Under Management

AIM has approximately \$218.9 million in assets under management. We manage all these assets on a discretionary basis.

Item 5 – Fees and Compensation

The management fees and performance fees we receive from the Funds, and the other fees our affiliated companies receive in connection with the Funds’ investment activities,² are summarized in the table below. We deduct our management and performance fees from the assets of the applicable Fund.

Fund	Annual Management Fee (%)³	Payable Quarterly/Monthly	Payable In Advance or Arrears	Annual Performance-Based Fee (%)	Additional Fees⁴
Capital Opportunities Fund	2.0% of the aggregate capital account balances	Quarterly	Arrears	20% - See below	See below.
WRFF	0.75% of the aggregate opening capital	Quarterly	Arrears	None – but see discussion below about profit	None

² These fees include: (a) transaction, advisory, break-up, director, origination and similar fees for the investment activities of Capital Opportunities Fund, ETC Founders Fund and Hybrid Fund; and (b) fees for originating, administering, servicing and collecting consumer receivables that CarePayment[®] Fund, Income Opportunity Fund and Income Protection Fund hold.

³ In certain cases, we may reduce, waive or calculate management fees differently for certain investors in a Fund.

⁴ See also Item 10 below where we discuss our related-party transactions.

Fund	Annual Management Fee (%) ³	Payable Quarterly/ Monthly	Payable In Advance or Arrears	Annual Performance-Based Fee (%)	Additional Fees ⁴
	account balances			allocations	
Income Protection Fund	2.0% of the aggregate capital account balances	Quarterly	Arrears	None – but see discussion below about profit allocations	Affiliated companies receive fees for originating and servicing consumer receivables the Fund owns.
Income Opportunity Fund	1.0% of the aggregate capital account balances	Quarterly	Arrears	None – but see discussion below about profit allocations	Affiliated companies receive fees for originating and servicing consumer receivables the Fund owns. ⁵
CarePayment® Fund	2.0% of the value of aggregate capital account balances	Quarterly	Arrears	None – but see discussion below about profit allocations	Affiliated companies will receive fees for originating and servicing healthcare receivables the Fund owns.
ETC Founders Fund	2.0% of the aggregate capital account balances	Quarterly	Arrears	20% – see below	None
Hybrid Fund	0.5% of investor's capital account	Quarterly	Advance	20% – see below	See below

In addition, we may reduce or waive our management fee at our discretion. Effective January 1, 2010, we reduced the management fee that Hybrid Fund pays us from 2.0% to 0.5% per year. Therefore, we no longer credit any portion of any transaction, advisory, break-up, director, origination or similar fees our affiliates receive in connection with Hybrid Fund's transactions to further reduce our Hybrid Fund management fee. In 2012, we offered to early investors in Income Protection Fund a credit to their preferred return of a portion of the management fee.

If we were to terminate our management of one of our Funds that pays us management fees in advance, we would refund to that Fund a pro rata portion of any prepaid management fees, based on the number of days between the termination and the end of the prepaid quarter.

Performance-Based Fees and Profit Allocations

In addition to the management fees that Capital Opportunities Fund⁶, Hybrid Fund and ETC Founders Fund pay us, these Funds pay an annual performance-based fee on 20% of that Fund's net capital gains and capital appreciation. The performance-based fees are paid either to us or to one of our affiliates. We have deferred the allocation of Hybrid Fund's performance-based fees earned in 2012 and thereafter until after Hybrid Fund's assets are fully liquidated. In certain cases, we may reduce, waive or calculate the performance-based fees differently for certain investors in a Fund.

⁵ Unlike our other Funds, Income Opportunity Fund pays a servicing fee of 2% per annum of that Fund's portfolio assets directly to the servicing agent responsible for servicing such assets. That servicing agent is currently ACM.

⁶ Investors in the Capital Opportunities Fund receive their 8% preferred return before any performance fees are paid to affiliates.

In addition to the management fees that WRFF, CarePayment[®] Fund, Income Protection Fund and Income Opportunity Fund pay to us, each of these Funds allocates to its special member the Fund's profits after a specified return has been paid to the Fund's investors. We are the special member of Income Protection Fund; the special members of the other Funds are our affiliates.

See Item 6 below for additional information about the Funds' payments of performance-based fees or the allocation of profits to our affiliates or us.

Transaction-Based Fees We or Our Affiliates Receive

As described above, our affiliated companies may receive transaction-based fees or allocations in connection with the investment activities of Capital Opportunities Fund, Hybrid Fund and ETC Founders Fund. These fees may include transaction, advisory, break-up, director, origination and similar fees.

In addition, our affiliated companies receive fees for originating, administering, servicing and collecting consumer receivables that CarePayment[®] Fund, Income Opportunity Fund and Income Protection Fund may hold. These fees are generally calculated as a percentage of the applicable program receivables the Fund holds.

Our affiliated companies' receipt of transaction-based compensation may present a potential conflict of interest (except with respect to CarePayment[®] Fund and Income Protection Fund which pay such fees only after investor receives their specified return), because it may give us an incentive to cause our Funds to engage in transactions for which our affiliated companies receive transaction-based compensation, rather than making investment decisions based only on the Fund's needs. Our affiliated companies' right to receive transaction-based compensation is disclosed in the applicable Fund's private placement memorandum and further reviewed by the Conflicts Review Committee.

All of our Funds' transactions are approved by one of our investment committees and, in some cases, also by the Conflicts Review Committee. The Conflicts Review Committee consists of certain third parties appointed by ACM. Members of the Conflicts Review Committee also act in the capacity of Limited Partnership Advisory Committee ("LPAC") for the Capital Opportunities Fund. References to the Conflicts Review Committee as used herein refer jointly to both the Conflicts Review Committee (with respect to all Funds except Capital Opportunities Fund) and the LPAC (with respect to Capital Opportunities Fund).

We and our affiliated companies do not receive any transaction-based compensation for the sale of investment products, including asset-based sales charges, from the sale of interests in our Funds.

Some of our supervised persons receive transaction-based compensation when brokers they introduce to us complete sales of our Fund's securities to investors. They do not receive other transaction-based compensation, such as asset-based sales charges or service fees for the sale of mutual funds or other investments. They do not hold themselves out as advisers to prospective investors in our Funds. Accordingly, our supervised persons advise prospective Fund investors to discuss any proposed investment with their own advisers to ensure that the

investment is suitable and is an appropriate addition to their other investments. See Item 14 below for information about finder's fees paid to unaffiliated third parties.

In addition, the portfolio companies of Capital Opportunities Fund may pay management fees to our affiliates for administrative and management related services.

Note: The governing documents of each Fund provide additional information about the management fee and any performance fee that Fund pays us and the other fees that our affiliated companies may receive in connection with that Fund's investment activities.

Fees and Expenses Payable to Third Parties

Our Funds pay expenses to unaffiliated third parties in addition to the fees we and our affiliated companies receive as discussed above. For example, our Funds pay fees and expenses to third parties, such as brokerage commissions, transaction fees, custodial fees, wire transfer fees, servicing fees, lender fees, fund administration fees, and fees and expenses charged to brokerage and custodial accounts. See Item 12 below for additional information about our brokerage practices. The Funds may also pay third parties other fees and expenses incurred in connection with certain portfolio transactions, such as for legal and accounting services.

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

General

Capital Opportunities Fund, Hybrid Fund and ETC Founders Fund pay performance-based fees to us or our affiliates in addition to the management fees the Funds pay us. A performance-based fee is an advisory fee based on a percentage of capital gains on or capital appreciation of the Fund's assets. Although performance-based fees may vary significantly among investors in a Fund, no Fund investors are charged more than an annual 20% performance-based fee⁷. We have deferred the payment of Hybrid Fund's performance-based fees earned in 2012 or thereafter until after the Fund's assets are fully liquidated.

None of our other Funds pay performance-based fees. However, as discussed in Item 5 above, WRFF, Income Protection Fund, CarePayment[®] Fund and Income Opportunity Fund allocate the Fund's profits to us or our affiliates after investors have received a specified return.

Potential Conflicts of Interest

The receipt of performance-based fees from three of our Funds (and the receipt of profit allocations from four of our Funds) could create potential conflicts of interest. Potentially, we and our affiliates can receive more compensation from Funds with a performance-based fee structure and from Funds that allocate profits to us or our affiliates than we receive from Funds that pay only an asset-based fee. Theoretically, we could have an incentive to direct the best

⁷ Investors in the Capital Opportunities Fund receive their 8% preferred return before any performance fees are paid to affiliates.

investment ideas to, or to allocate or sequence trades in favor of, the Funds that pay a performance-based fee or allocate profits to us or our affiliates.

See Item 8 below for information about the principal investment objective of, and principal investments made by, each of our Funds. For the reasons discussed below, we do not believe our right or our affiliates' rights to receive performance-based fees from Capital Opportunities Fund, Hybrid Fund and ETC Founders Fund creates an actual conflict of interest:

- The investment objective of Hybrid Fund does not overlap with any other Fund, and it is in the process of being wound up and is not making new investments. Therefore, such other Funds are not competing with Hybrid Fund for the same investments.
- ETC Founders Fund has different investment objectives and makes different types of investments than the rest of the Funds that do not pay performance-based fees. Therefore, such other Funds are not competing with ETC Founders Fund for the same investments.
- Capital Opportunities Fund has a different investment strategy and makes different investments than the other Funds that do not pay performance-based fees. Therefore, such other Funds are not competing with Capital Opportunities Fund for the same investments.
- All of our Funds' transactions are either reviewed or approved by one of our investment committees and, in some cases, also by the Conflicts Review Committee, as discussed in Item 10 below. We also perform periodic reviews of each Fund's portfolio for consistency with that Fund's objectives.

For the reasons discussed below, we do not believe our right or our affiliates' rights to receive profit allocations from WRFF, Income Protection Fund, CarePayment® Fund and Income Opportunity Fund creates an actual conflict of interest:

- For Income Protection Fund, CarePayment® Fund and Income Opportunity Fund, we monitor our allocation process to verify that each of our Funds receives an appropriate allocation of receivables from approved institutions. Allocations are based on each entity's investment objective, cash position, the available pool of receivables, and other criteria. Our allocation policies, and any changes to the policies, are reviewed and approved by the Conflicts Review Committee. The policies govern the allocation of receivables among our Funds and other affiliated companies that acquire receivables.
- For Income Protection Fund and CarePayment® Fund, we do not pay out transaction-based fees until the investor receives its specified preferred return. Therefore, there is no incentive for preferential treatment.
- All of our Funds' transactions are either reviewed or approved by one of our investment committees and, in some cases, also by the Conflicts Review

Committee, as discussed in Item 10 below. We also perform periodic reviews of each Fund's portfolio for consistency with that Fund's objectives.

Item 7 – Types of Clients

Types of Clients and Fund Investors

Our only clients are our Funds, as discussed in Item 4 above. Investors in our Funds include:

- Qualified Clients, Qualified Purchasers and Accredited Investors, including their trusts, estates, individual retirement accounts (“IRAs”) and self-directed 401(k) accounts
- Corporations and other businesses
- Foundations and other charitable organizations
- Family offices

Fund Investor Limitations

We limit the number and types of investors permitted to invest in our Funds. Our Funds offer their securities only in private placement transactions. Our Funds qualify for exemptions under the Investment Company Act of 1940, and the securities our Funds issue qualify for exemptions under the Securities Act of 1933 and the Securities Exchange Act of 1934.

We do not currently permit governmental entities to invest in our Funds.

Minimum Investment Requirements

We generally do not impose a minimum asset size on our Funds before they commence business. However, we require a minimum investment by investors in our Funds, as specified in each Fund's governing documents. We reserve the right, in our discretion, to reduce the minimum investment requirement for any investor.

Restrictions on Investment Withdrawals from Our Funds

We impose substantial restrictions on investor withdrawals from our Funds, as described in the applicable Fund's governing documents. We reserve the right to waive the withdrawal restrictions in our discretion. If we grant a waiver, we may require the withdrawing investor to pay any transaction and other costs that are incurred as a result of the early withdrawal. We may waive certain notice requirements in our sole discretion.

Notwithstanding the foregoing, because Hybrid Fund and CarePayment[®] Fund are winding up, we have suspended all withdrawal rights in those Funds, as permitted by the applicable Fund's operating agreement. We are, as of the date of this brochure, in the process of

distributing liquidation proceeds from those Funds on a pro rata basis. Withdrawals from Hybrid Fund and CarePayment[®] Fund are allowed only in our discretion.

Note: The governing documents of each of our Funds include additional information about the Fund's withdrawal requirements.

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

Principal Investment Objective and Principal Investments of Each of Our Funds

We manage each of our Funds in accordance with the investment objectives and guidelines for the applicable Fund. Each Fund's objectives and guidelines are specified in its governing documents. There can be no guarantee that any of our Funds will achieve their investment objectives.

Each of our Funds' principal investment objective and principal types of investments are described below:

- **Capital Opportunities Fund's** principal investment objective is to produce long-term capital appreciation primarily by making privately-negotiated investments in equity, equity-related and other securities of growth oriented companies in healthcare, education and financial services industries.
- **WRFF's** principal investment objective is aggregate funds to acquire limited partnership interests issued by Window Rock/ Aequitas Residential Recovery Fund, LP ("Master Fund"). Master Fund's principal objective is to provide investors with a return on investments in distressed residential loans and properties.
- **Income Protection Fund's** principal investment objective is to provide investors with a targeted annual return on their investments. The Fund primarily purchases, or participates in financing the purchase of, receivables, loans and leases on a recourse basis from institutional sellers such as educational institutions and hospitals.
- **Income Opportunity Fund's** principal investment objective is to provide investors with a targeted annual return on their investments. Income Opportunity Fund primarily purchases, or participates in financing the purchase of, receivables, loans and leases on a recourse and non-recourse basis from institutional sellers such as educational, healthcare and other consumer and commercial portfolios.
- **CarePayment[®] Fund's** principal investment objective is to provide investors with a targeted annual return on their investments. The Fund primarily purchases, either directly or indirectly, or participates in financing the purchase of, portfolios of patient-pay healthcare receivables generated by hospitals that participate in the

CarePayment[®] program. The Fund will not invest in any healthcare receivables other than CarePayment[®] program receivables owned or generated by CarePayment, LLC, which is one of our affiliated companies.⁸ CarePayment[®] Fund is being wound up and is not making new investments.

- **ETC Founders Fund's** principal investment objective is to realize gains on its investments in equity securities issued by ETC Global Group, LLC ("ETC Global"), the parent company of Electronic Transaction Clearing, Inc. ("ETC"). ETC is a registered broker-dealer and equity securities clearing firm. ETC offers sponsored access, clearing, settlement, custodial and back-office accounting services to high-frequency professional securities industry firms with respect to US equity securities.
- **Hybrid Fund's** principal investment objective is to generate both current payments (in the form of annual distributions) and capital appreciation through mezzanine and private equity investments in middle-market companies with annual revenues under \$200 million. Hybrid Fund is being wound up and is not making new investments.

Note: *Additional information about the principal investment objectives and investments of each of our Funds is included in the governing documents of the applicable Fund.*

Our Principal Methods of Analysis and Investment Strategies

On a collective basis, most of our Funds' existing investments are in equity and debt instruments. However, certain of our Funds invest in patient-pay healthcare receivables (specifically CarePayment[®] program receivables) and education receivables (specifically CSF program receivables as described below). Our investment strategies for these types of investments are described below.

CarePayment[®] Program Receivables (Patient-Pay Healthcare Receivables)

Currently, all healthcare receivables acquired or financed by our Funds originated from the CarePayment[®] program operated by CarePayment, LLC. CarePayment, LLC contracts directly with CarePayment Technologies, Inc. to provide all servicing activities. Both of those companies are our affiliates. Our Funds acquire all their healthcare receivables, directly or indirectly, from hospitals who are clients of CarePayment, LLC. Under the terms of the CarePayment[®] program, patient-pay receivables are generally purchased at a discount to their principal balance. If a patient fails to pay the receivable in full, the hospital is required to repurchase the unpaid principal portion of that receivable.

In evaluating which hospitals to retain as clients, CarePayment, LLC undertakes a comprehensive analysis. In addition to assessing general economic and industry trends,

⁸ Mr. Jesenik, AIM's President and the Chief Executive officer of ACM, is also the President of CarePayment, LLC.

CarePayment, LLC thoroughly evaluates the operational and credit risk of each potential hospital client. Its analysis of the hospital includes the following:

- Analysis of the hospital's audited annual financial statements and unaudited interim financial statements
- Demographic research of the hospital's location and patients
- Analysis of the hospital's size
- Analysis of the hospital's ability to repurchase delinquent receivables
- Bond rating (if applicable)

CarePayment, LLC requires that each hospital fall within certain financial parameters.

CarePayment, LLC collects information through a detailed due diligence process that includes hospital site visits. For industry and valuation information, CarePayment, LLC uses traditional sources, including hospital industry data and other generally available information, and also gathers information from its established network of direct industry contacts in the relevant market.

CarePayment, LLC also has proprietary in-house business analysis models that use external source data when appropriate. While these models are an important tool in the investment decision process, they are not, in and of themselves, decision models. CarePayment, LLC also uses business credit reporting agencies, personal credit reporting services, rating agencies, background checks, lien searches, etc., as appropriate, to aid in its investment decisions.

In addition to evaluating general economic and industry trends and the specifics of each hospital, CarePayment, LLC evaluates the creditworthiness of each patient whose receivable will be acquired.

CarePayment, LLC makes the initial decision that patient-pay healthcare receivables may be acquired from a particular hospital. However, before our Funds acquire any receivables from a hospital, our Investment Committee will review the information that CarePayment, LLC has collected for evaluation, and the Committee will decide whether to approve a contractual relationship with that hospital. CarePayment[®] program receivables from approved hospitals are allocated each month among our Funds that acquire such receivables and among other affiliated companies that acquire such receivables. The allocation is based on each entity's cash position, the available pool of receivables, and other criteria. We monitor the allocation process to verify that each of our Funds receives an allocation of CarePayment[®] program receivables consistent with our internal allocation policies.

CSF Program Receivables (Student Loan Receivables)

In mid-2011, ACM arranged for the purchase of student loan portfolios originated by or on behalf of a for-profit college. Pursuant to this arrangement, ACM formed a special purpose

entity, ASFG, subsequently renamed to Campus Student Funding, LLC (“CSF”), which has purchased student loans with an approximate face value of \$268 million (the “forward flow loans”). The forward flow loans are purchased on a full recourse basis such that, in the event of a payment default by a loan obligor, the for-profit college is required to purchase the loan for the unrecovered portion of the original purchase price paid by CSF. Loans purchased under this program currently have the following general characteristics: (a) face value of \$500 to \$24,500; (b) maturity of two to 15 years; and (c) interest rate 2.9% to 9.9% per year (depending on credit scores and other eligibility criteria).⁹ CSF has contracted with unrelated third parties to provide originating and servicing activities related to the forward flow loans.

CSF intends to enter into similar relationships with other for-profit colleges and all such proposed purchases (including purchases under the current arrangement) will be evaluated by CSF as detailed herein. However, before our Funds acquire any receivables from CSF, our Investment Committee will review the information that CSF has evaluated about that for-profit college, and the Committee will decide whether to approve the purchase. Our Funds currently hold CSF program receivables from only one (1) college approved by the Investment Committee. CSF program receivables from the approved colleges are allocated among our Funds that hold such receivables and other affiliated companies that hold such receivables. The allocation is based on each Fund’s cash position, the available pool of receivables, and other criteria including but not limited to the ability to re-sell the receivables to the college. We monitor the allocation process to verify that each of our Funds receives an allocation of CSF program receivables consistent with our internal allocation policies.

Investments Other Than Consumer Receivables

Four of our existing Funds do not invest in consumer receivables. Hybrid Fund primarily holds mezzanine debt and minority interests in private companies. Hybrid Fund is being wound up and is not making new investments. ETC Founders Fund is invested in securities issued by ETC Global, and it may have the right to make future purchases of ETC Global securities if it has investment funds available to it. WRFF invests through limited partnership interests in the Master Fund in distressed real estate. Capital Opportunities Fund invests in equities of high growth oriented companies.

In deciding when to buy and sell investments other than consumer receivables described above, we use the following methods of analysis and investment strategies:

- *Quantitative Analysis* – We use mathematical models in an attempt to obtain more accurate measurements of the value of an investment and predict changes to its value. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.
- *Qualitative Analysis* – We subjectively evaluate non-quantifiable factors about a company, such as the quality of its management, its business plan and strategy,

⁹ As discussed in the previous version of our brochure, we purchased forward flow loans under a prior program with the following general characteristics: (a) face value of \$1,000 to \$10,000; (b) maturity of two to seven years; and (c) interest rate of 8% to 15% per year (depending on credit scores and other eligibility criteria). We are no longer purchasing forward flow loans under that program.

and other factors not readily subject to measurement. In evaluating these subjective factors, we assess information we collect through a due diligence process, including, among other things, company and industry financial information, background checks on management and site visits. We evaluate the information we obtain to determine a value for the company and predict changes to the company's value. Risks in using qualitative analysis are that the information on which we base our judgment may be inaccurate, or that our subjective judgment itself may prove incorrect.

Risks Associated with Our Methods of Analysis and Investment Strategies

General Investment Risks

All investments include a risk of losing the amount invested (the principal) and any profits that have not been realized. Investors in the Funds should be prepared to bear that risk. Stock markets and fixed-income markets can fluctuate substantially over time. In addition, as recent global and domestic economic events have shown, the performance of any investment is not guaranteed.

Our judgment about the attractiveness, value and potential appreciation of a particular investment may be incorrect, and there is no guarantee that a Fund's investments will perform as anticipated. The value of a particular investment may be more volatile than the market as a whole or our approach may fail to produce the intended results. Our estimate of the value of an investment may be wrong or, even if our estimate is correct, the price and value may not converge for a long time. As a result, there is a risk of loss in the value of a Fund's assets. We cannot guarantee any level of performance or that investors will not experience a loss.

The Funds' operating agreements and investment advisory agreements contain broad indemnification and limitation-of-liability provisions in our favor. These provisions limit the rights of Fund investors to maintain an action against us to recover losses a Fund incurs as a result of our actions or failure to act.

Material Risks Associated with Our Primary Fund Investments

General Risks Associated with Equity Securities. We invest a significant portion of our Funds' assets in equity securities, primarily in middle-market and financial services companies. Equity securities pose various risks, such as:

- *Small- and Mid-Cap Company Risks* – Investments in small- and mid-cap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, small- and mid-cap companies may be more vulnerable to economic, market and industry changes. Because smaller companies may have limited product lines, markets or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger companies. The future growth of these companies may be dependent on additional financing,

which may not be available on acceptable terms when required, as discussed below in this Item 8.

- *Control Risks Related to Portfolio Companies* – A Fund may sometimes take a controlling position in a portfolio company, due to default or other circumstance, if it is determined to be in the best interest of the Fund. The exercise of control over a company imposes additional risks of liability. Such potential liabilities could cause the Fund to suffer losses. Some of our Funds have designated directors to serve on the boards of directors of certain portfolio companies. The designation of directors could expose such Fund to claims by the portfolio company, its shareholders or its creditors. On the other hand, a Fund sometimes will not have control of a portfolio company and may not be able to control the timing or occurrence of an exit strategy for that portfolio company. When a Fund invests in a minority position in a portfolio company, the Fund must rely significantly on the existing management and board of directors of such company.
- *General Business Risks Related to Portfolio Companies* – Investments in portfolio companies include the potential risk of an increased exposure to adverse economic factors such as an increase in interest rates, a downturn in the economy or further deterioration in the economic conditions of such company or its industry. As such, the portfolio companies that a Fund has invested in may be unable to generate sufficient cash flow to meet its financial obligations. Accordingly, the value of the portfolio company could be significantly reduced or even eliminated due to further credit deterioration.
- *Future Financing Needs* – Some of our Funds' investments include investments made in companies operating at a loss or with significant variations in profitability. These companies may need substantial additional capital to continue operations. They may be dependent, in whole or in part, on additional investment of capital by our Funds or by our affiliated companies. Our Funds and affiliated companies may choose not to make such follow-on investments. Any decision not to make a follow-on investment, or our Funds' and affiliated companies' inability to make the investments, may have substantial adverse effects on the portfolio company in need of such capital and is likely to decrease the value of the company and the value of the Fund holding the investment in the company. Conversely, should our Funds and/or affiliated companies choose to make follow-on investments, there can be no assurance that such investments will result in a favorable outcome to our Funds.

General Risks Associated with Fixed-Income Securities. We invest certain of our Funds' assets in fixed-income securities (for example, debt instruments privately issued by middle-market companies). Fixed-income securities pose various risks, such as:

- *Credit Risk* – Debtors may fail to make interest and/or principal payments on their debt obligations, or their payments may not be made when due. In addition, the credit quality of securities may be lowered if a debtor's financial condition changes. Lower credit quality may lead to greater volatility in the value of a debt

obligation, and that may affect liquidity and our ability to collect on or sell the debt obligation.

Additional Risks Associated with the Healthcare Industry and Patient-Pay Healthcare Receivables. A significant portion of our Funds' assets relate to healthcare, including CarePayment[®] program receivables, and loans to acquire such receivables. The healthcare industry and the patient-pay receivables business pose various risks, such as:

- *Uncertainties in the Healthcare Industry* – National healthcare reform legislation may affect the healthcare industry, including the patient-pay receivables business. In addition, numerous federal, state and private initiatives and studies currently seek ways to increase the use of information technology in healthcare to improve care and reduce costs. These initiatives and studies may result in additional or costly legal or regulatory requirements applicable to the healthcare industry and/or the patient-pay receivables business. In addition, such initiatives and studies may encourage more companies to acquire patient-pay healthcare receivables and/or may provide advantages for competitors. In that case, our Funds may have access to fewer patient-pay receivables. These issues could have an adverse impact on the performance of our Funds that acquire and hold healthcare-related assets.
- *Lack of Diversification of Healthcare-Related Assets* – The assets of certain of our Funds are, or will be, concentrated in the healthcare industry. Such concentration is inherently risky and could cause those Funds to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences, as compared with portfolios that are more diversified or have a broader industry focus.
- *Concentration of Hospitals and Service Providers* – Our Funds' healthcare receivables are acquired from a limited number of hospitals, some of which are relatively small. The hospital relationships are originated, and the receivables are serviced, by our affiliated companies. The failure of any of the hospitals or of such affiliated companies could materially adversely affect the Funds that hold the receivables. In addition, changes in the local economy where a hospital is located may create large swings in the performance of such hospital's receivables and, therefore, in the performance of the Fund(s) holding such hospital's receivables.
- *Competitiveness of the Healthcare Receivables Business* – In locating healthcare assets for our Funds, CarePayment, LLC is competing with other established investors and lenders with substantial resources and experience. In attracting hospitals to the CarePayment[®] program, CarePayment, LLC also is competing with the hospitals themselves, since hospitals generally offer patients discounts and their own repayment plans. Several of our competitors are substantially larger and have more capital and other resources than our Funds do. Increased competition may reduce our Funds' investment opportunities and returns.

Additional Risks Associated with the Post-Secondary Education Industry and Student Loan Receivables. A significant portion of our Funds' assets relate to post-secondary education, including CSF program receivables, and loans to acquire such receivables. The post-secondary education industry and the student loan receivables business pose various risks, such as:

- *Educational Loan Reform Efforts* – Educational institutions are subject to extensive regulation in order to participate in various federal financial aid programs under Title IV. In addition, bills have been introduced in Congress to restore the ability to discharge private student loans in bankruptcy proceedings. There can be no assurance that legislative or regulatory changes will not be adopted that may adversely impact the student loan receivables business. Any such legislative or regulatory changes, if enacted, may have the effect of adversely affecting the performance of our Funds that acquire and hold such receivables. In addition, any such changes may substantially reduce the business of acquiring student loan receivables, in which case such Funds may not be able to purchase receivables.
- *Concentration Risk* – As of the date of this brochure, our Funds' student loan program receivables relate to a single for-profit educational institution which owns and operates several different campus locations. We anticipate that additional relationships with other educational institutions will be originated by our affiliated companies. The failure of any such institution could materially adversely affect the Funds that hold student loan receivables related to such institution. In addition, changes in the local economy where a campus is located may create large swings in the performance of such institution's student loan receivables and, therefore, in the performance of the Fund(s) holding such institution's student loan receivables.

Specific Risks Associated with Fund Investments.

- *ETC Founders Fund Depends on the Performance of a Single Company* – ETC Founders Fund's only non-cash investments are securities issued by ETC Global, which is the parent company of ETC, a registered broker-dealer and equity securities clearing firm. ETC faces significant competition and regulatory risks with respect to certain of its business activities. There currently is no trading in the class of securities of ETC Global that ETC Founders Fund owns.
- *Income Protection Fund.* Income Protection Fund purchases, or participates in financing the purchase of, receivables, loans and leases on a recourse basis from institutional sellers such as educational institutions and hospitals. These investments face a risk of loss associated with failing to collect on such receivables, loans and leases. However, to mitigate such risk to investors not affiliated with AIM, we (along with certain of our affiliates) have invested an aggregate of over \$10 million in the Fund, have restricted our rights to withdrawal if the aggregate capital accounts of us and our affiliates would be less than \$10 million, and have subordinated our rights to distributions to those of non-affiliated investors.

- *WRFF.* WRFF invests through the Master Fund in distressed real estate. These investments face a risk of loss associated with the significant fluctuation and cycles in value and specific market conditions may result in occasional or permanent reductions in the value of the Fund's assets. In addition, the Master Fund is not actively managed by AIM.

General Risks of Investing in Private Investment Vehicles

- *Investment in our Funds Are Not Liquid.* Because there is no public market for the securities issued by our Funds, such investments are not liquid. In addition, investors in our Funds are contractually and legally restricted from transferring or redeeming their securities for a considerable period of time.
- *Valuation Risk.* Initial and additional investments in a Fund, redemptions from a Fund, and the calculation of performance fees or allocations and some of our management fees may be based on the value of a Fund's total assets at the time of the investment, redemption or calculation of the fee or allocation. Most of our Funds' assets have no readily ascertainable fair market value. Our estimates of the value of those assets may differ from the values that would have been used had a ready market existed, and the differences could be material. Therefore, investors in our Funds bear the risk that our determinations of fair value are not correct.

Note: Risk factors applicable to each of our Funds are more fully described in each Fund's private placement memorandum.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of us or the integrity of our management.

We have no legal or disciplinary events to report.¹⁰

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Affiliations

¹⁰ We note that registered advisers are required to report, in Part 1A of Form ADV, all disciplinary events regardless of whether they are material. We have no disciplinary events of any kind to report.

We are obligated to disclose if we, our management, or any of our affiliated companies are involved in other financial industry activities, such as those of a broker-dealer, pooled investment vehicle, or sponsor of limited partnerships or limited liability companies.

We are the manager of our Funds, all of which are pooled investment vehicles organized as limited liability companies. As noted in Item 4 above, we are a wholly owned subsidiary of ACM. ACM is the sponsor and manager of other private investment vehicles. We or ACM may establish additional investment vehicles. We may be the manager of any such other investment vehicles. Some of the existing or future investment vehicles may make investments similar to those made by our Funds, and may at times participate with one or more of our Funds in the same investments. Our investment committees are responsible for approving all investments our Funds make. These committees (or certain members of the committees) also approve investments made by the investment vehicles that ACM manages. These committees are likely to be responsible for approving transactions for additional investment vehicles that we or ACM form in the future. We, ACM and the members of these committees may face conflicts of interest in allocating investment opportunities among these affiliated investment vehicles. We provide additional information about our investment committees and the Conflicts Review Committee below in this Item 10.

We do not have any other financial industry activities or affiliations to report.

Conflicts of Interest

Many of the transactions involving our Funds are with our affiliated companies. Such transactions may result in one or more conflicts of interest. Our Funds, affiliated companies (including affiliated investment vehicles) and/or certain of the executives of AIM or ACM may:

- Engage in transactions with our Funds, including purchasing portfolio securities (such as, notes or receivables) from, or selling portfolio securities to, another affiliated investment vehicle.
- Recommend to our Funds' investments in which our Funds, our affiliated companies or such executives are already invested.
- Recommend that our Funds and other affiliated companies invest at the same time (that is, co-invest) in particular investments. Some of the affiliated investment vehicles pursue investment strategies almost identical to those of other affiliated investment vehicles, so we and our affiliates may face conflicts in allocating investment opportunities among the investment vehicles we and our affiliates manage.
- Cause our Funds to enter into dealings with third parties having a financial or business relationship with our affiliated companies, including providing investment banking or financial advisory services to portfolio companies held by our Funds.

- Cause our Funds to lend money to or borrow money from one of our affiliated companies.
- Cause our Funds or our affiliated companies to lend money to portfolio companies held by our Funds.
- Provide services to our Funds, and receive compensation for providing such services, as discussed in Item 5 above¹¹.
- Personally invest, directly or indirectly, in certain of our Funds or our affiliated investment vehicles or in their portfolio companies. We discuss certain preapproval requirements we impose on the trading activities of our supervised persons and access persons in Item 11 below.
- Serve as special members or General Partner of our Funds. The special members of Hybrid Fund and ETC Founders Fund and the general partner of Capital Opportunities Fund receive performance-based fees, as discussed above in Item 6. The special members of WRFF, CarePayment[®] Fund, Income Protection Fund, and Income Opportunity Fund (as applicable) receive the Funds' profits remaining after specified returns are paid to the Funds' investors. In addition, each Fund's special member and general partner (as applicable) has complete voting control over the Fund's equity interests, except in exceptional circumstances described in the Fund's limited liability company agreement.

Furthermore, our executive officers are also executive officers of our affiliated companies, so they are responsible for business activities in addition to the management of our Funds. While our executives intend to devote such time to each of our Funds as they consider necessary, conflicts may arise in the allocation of time among their various business activities.

All investments by our Funds, including all transactions with our affiliated companies, must be approved by one of our investment committees (the Investment Committee or the Public Securities Investment Committee). The Public Securities Investment Committee approves all transactions relating to publicly traded securities. The Investment Committee approves all other transactions. The Investment Committee currently has three members, and includes other executives of the firm (and managing principals with respect to investment decisions made for Capital Opportunities Fund) to provide guidance to the Investment Committee regarding investment decisions. The Public Securities Investment Committee also currently has three members. All of the committee members are executive officers of AIM or ACM or serve on ACM's advisory board.

In addition to being approved by one of the investment committees, the Conflicts Review Committee must review and approve certain transactions. Each Fund is authorized to reimburse members of the Conflicts Review Committee for their out-of-pocket expenses

¹¹ The Managing Principals of the General Partner of Capital Opportunities will receive as part of their compensation a portion of the carried interest.

incurred in connection with the Fund's business and to indemnify them to the maximum extent permitted by law.

Prior to a transaction between affiliated entities (such as a Fund selling or purchasing securities to or from an affiliate or a Fund lending money to an affiliate), the Conflicts Review Committee either: (a) reviews and renders its opinion about the particular transaction; or (b) has reviewed and approved the methodology and parameters that the type of transaction must satisfy. The Conflicts Review Committee also reviews and renders its opinion on all other conflict-of-interest matters submitted to it. In addition, the Conflicts Review Committee approves parameters for certain services that an affiliated company provides to our Funds.

When the Investment Committee, the Public Securities Investment Committee, or the Conflicts Review Committee deems it advisable, that committee will require us to undertake additional protections to determine that certain related-party transactions are on commercially reasonable terms. For example, prior to one of our Funds making an investment in, or loan to, a company whose securities are owned by an affiliated fund, the Conflicts Review Committee or one of our investment committees may require that we obtain an independent third-party valuation of the company.

Potential conflicts of interest like those described above are disclosed to investors, typically in the offering materials provided by each of our Funds. We deliver these materials to prospective investors prior to their investment, and we give them the opportunity to ask questions regarding, among other things, potential conflicts involving us, our affiliated companies or our executive officers.

Our Code of Ethics, discussed in Item 11 below, also includes internal controls to identify and address certain potential conflicts of interest. We discuss our brokerage practices below in Item 12.

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

Code of Ethics

We have adopted a code of ethics and an insider trading policy (collectively, the “Code”) for the purpose of instructing our personnel and the personnel of our affiliated companies in their ethical obligations. The Code also provides rules for their personal securities transactions. We and our personnel owe a duty of loyalty, fairness and good faith to our Funds and to the investors in our Funds. We and our personnel must adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code covers a range of topics that include:

- general ethical principles
- internal controls to identify and address conflicts of interest

- limitations on, or preapproval requirements for, outside business activities
- requirements for reporting personal securities trading
- restrictions on purchasing securities in certain types of transactions
- requirements for reporting ethical violations, distributing the Code, and reviewing and enforcing the Code

A copy of our Code may be obtained by contacting our Chief Compliance Officer at 503•419•3500 or the address specified on page 1 of this brochure.

Participation in Client Transactions and Personal Trading

Our “covered” persons (all management personnel, directors, employees and independent contractors of AIM and/or ACM) must obtain the approval of our Chief Compliance Officer before they engage in any transaction involving the securities of a company with whom AIM or ACM has a business relationship. For example, covered persons would need preapproval before engaging in personal transactions involving our Funds’ portfolio companies or hospitals whose receivables are held by our Funds. In addition, more strict personal trading rules, as well as securities reporting requirements, apply to our “access” persons (our management personnel and others who have access to our nonpublic investment recommendations or decisions).

We are not precluded from causing an affiliated company to buy or sell a security already owned by an access person if one of our investment committees determines that such purchase or sale is in the best interest of the affiliated company. Any such transaction is subject to disclosure and preapproval.

See Item 10 above for additional information about how we resolve conflicts of interest that result from the management of our Funds.

Item 12 – Brokerage Practices

Broker Selection

Most of the transactions our Funds enter into are private transactions that do not require the service of a broker-dealer. When a broker-dealer is needed, we have full discretion to select the broker-dealers to execute such transactions. In selecting a broker for a transaction or series of transactions involving our Funds, we may consider a number of factors, such as:

- access to the markets for the securities being traded
- the net price of the trade
- the financial stability and reputation of the broker
- the quality of the broker’s investment research

- investment strategies
- special execution capabilities
- clearance
- settlement
- custody
- recordkeeping
- other services provided by such broker

We negotiate the commission rates our Funds pay to broker-dealers. Our Funds may pay commissions or fees that are higher or lower than those that may be obtained elsewhere for similar services.

We do not enter into agreements to receive research or other products or services in connection with executing Fund transactions with broker-dealers (often called “soft dollar” benefits). However, certain brokers through which we execute trades may provide unsolicited research to us. This research may be used for all our Funds, even though only certain Funds may have paid commissions to the brokers who provided the research.

We receive referrals of prospective Fund investors from certain independent broker-dealers. We may execute Fund transactions through broker-dealers that make such referrals. We have not entered into any arrangement that requires us to execute transactions through referring broker-dealers. We acknowledge our duty of best execution for our Funds. See Item 14 for additional information about our use of third-party finders.

Aggregation and Allocation of Transactions

Most of our Funds’ transactions are private transactions. We do not aggregate (bunch) trades for our Funds. We do not believe that our Funds incur any increased costs because we do not aggregate transactions.

If more than one Fund invests in the same private investment at the same time as another Fund (a co-investment), we will make such investments on the same terms. We make decisions to have Funds co-invest based on each Fund’s investment objectives, available cash, other existing or contemplated investments, and other factors the investment committee considers relevant. We allocate the investment among co-investing Funds based primarily on available cash and each Fund’s other existing or contemplated investments.

If more than one of our Funds is buying or selling a publicly traded security at the same time, we allocate the securities among the Funds based on the amount each Fund desires to trade. Each Fund will pay the average share price for all transactions effected for our Funds in that security on a given date, with all transaction costs shared on a pro rata basis.

Trade Errors

- If a trade error occurs in a Fund transaction, we will make the Fund whole, so it is not disadvantaged. Any net gain resulting from an error will be held in a separate bank account specifically allocated for trade errors.

Item 13 – Review of Accounts

Portfolio investments made by our Funds are monitored by members and attendees of our Investment Committee. The Committee meets regularly to review investment opportunities, portfolio performance, asset allocation, portfolio diversification, investment levels, and other topics as they deem necessary. All investments made by our Funds are approved by one of the committees, and may also be reviewed or approved by the Conflicts Review Committee, as discussed in Item 10 above.

Our analysts also monitor our Funds' portfolio investments at least quarterly and report their findings to the Investment Committee and, if applicable, to the Public Securities Investment Committee. The analysts systematically monitor the financial performance, operational performance and strategic direction of each portfolio company whose securities are owned by one of our Funds. They monitor the applicable investment attributes of other investments in our Funds. We also monitor risk on an ongoing basis through a quarterly review analysis of market, credit, liquidity and operational risk.

In monitoring our CarePayment[®] and CSF program receivables, our analysts review quarterly financial statements of hospitals and educational institutions and other data to evaluate their respective financial condition. We also monitor each hospital's and college's weight within a Fund's portfolio. On a monthly basis, the analysts monitor the allocation of CarePayment[®], CSF program receivables among our Funds and our other affiliated companies that hold such receivables to make sure the allocations are appropriate.

In addition, our analysts evaluate the financial performance of our servicers, primarily CarePayment Technologies, Inc. and Genesis (collectively, the "Servicers"), on a monthly basis. The analysts also monitor a variety of servicing functions against historical and target collection performance on a monthly basis to ensure that the Servicers are providing high quality service to the account obligors and to ensure that servicing activities are being performed in an efficient and cost-effective manner.

Each year, each of our Funds delivers to its investors the previous year's audited financial statements, including a balance sheet, an income statement, and a statement of investors' capital. An independent accounting firm that is registered with and subject to inspection by the Public Company Accounting Oversight Board audits our Funds' annual financial statements.

We also send each Fund investor a quarterly statement showing the activity in the investor's capital account during the previous quarter. In addition, we send Fund investors a quarterly newsletter discussing the Funds' activity during the preceding quarter.

Item 14 – Client Referrals and Other Compensation

We do not compensate others for developing new collective investment vehicles for us to manage or advise. However, we or our affiliated companies have entered into arrangements with individuals or organizations which may refer potential investors to us or our affiliated companies to invest in our Funds. While the specific terms of the arrangements differ, compensation paid to a registered broker-dealer generally is based on the value of any investment the referred investor makes in one or more of our Funds. Investors who invest in our Funds through registered broker-dealers may pay sales commissions to the broker-dealer.

Item 15 – Custody

As the manager of our Funds, we are deemed to have custody of the Funds' assets. We place our Funds' cash and securities with a bank, registered broker-dealer or other "qualified custodian." We do not have physical custody of our Funds' cash or securities. The annual financial statements of each of our Funds are audited and distributed to investors in the Fund, as discussed in Item 13 above.

Item 16 – Investment Discretion

We have full discretion to determine the securities bought or sold by our Funds, subject to any limitations on our investment authority specified in the applicable Fund's governing documents.

Item 17 – Voting Client Securities

We have authority to vote proxies on behalf of our Funds. Our proxy voting policy requires us to vote proxies consistent with the best economic interest of the investors in the applicable Fund. The analyst for a Fund generally votes proxies on behalf of that Fund, with the approval of any one member of the Public Securities Investment Committee. However, the Public Securities Investment Committee will decide how to vote the proxy if: (a) the analyst has a personal interest in the security or the portfolio company; (b) we and our affiliates have more than a 10% interest in the portfolio company; (c) the proxy contains material ballot items; or (d) if the analyst's proposed vote is different from the recommendation of the portfolio company's board.

Our proxy voting policy applies only to publicly traded securities. We do not vote proxies with respect to securities issued by private companies. We vote those securities in person.

Investors in our Funds may obtain a copy of our proxy voting policy or information on how we voted securities in a Fund by sending a written request to:

Aequitas Investment Management, LLC
Attn: Chief Compliance Officer
5300 Meadows Road, Suite 400
Lake Oswego, OR 97035

Item 18 – Financial Information

We must disclose any financial condition that could impair our ability to meet our contractual obligations to our Funds. We must also describe if we have been the subject of any bankruptcy proceeding within the last 10 years.

We have no financial matters to disclose, and we have never been the subject of a bankruptcy proceeding.

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