

**Item 1 – Cover Page**

**ADV Part 2A and B: FIRM BROCHURE**

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This brochure provides information about the qualifications and business practices of Cranshire Capital Advisors, LLC (“Cranshire”). If you have any questions about the contents of this Brochure, please contact us at (847) 562-9030 or [bkopin@cranshirecapital.com](mailto:bkopin@cranshirecapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Cranshire is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Cranshire also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

There are no material changes from Cranshire's last Brochure filing on March 20, 2013.

Pursuant to SEC rules, Cranshire is providing this summary of material changes to its Brochure within 120 days of the close of the Firm's fiscal year. The Firm may further provide clients with other ongoing disclosure information about material changes as deemed necessary. Additionally, Cranshire will provide clients with a new Brochure as necessary based on material changes, without charge.

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## Item 4 – Advisory Business

### Firm Description

Founded in 1996, Cranshire is hedge fund that invests primarily in equity and equity-related instruments of public companies. Cranshire Capital Advisors, LLC, a Delaware limited liability company (“Cranshire” or “Investment Manager”), serves as the Investment Manager for and provides discretionary investment advisory services to the following investment funds: (i) Cranshire Capital, L.P., a 3(c)(1) partnership (the “U.S. Feeder Fund”), (ii) Cranshire Capital Offshore, Ltd., the offshore fund and a 3(c)(1) fund (the “Offshore Feeder Fund”) and (iii) Cranshire Capital Master Fund, Ltd. (the “Master Fund”). The U.S. Feeder Fund invests substantially all and the Offshore Feeder Fund invests all of its assets into the Master Fund. The purpose of the Master Fund is to achieve certain administrative efficiencies; the Master Fund has no investors other than the U.S. Feeder Fund and the Offshore Feeder Fund. All of the funds referenced above are collectively referred to herein as the “Funds,” and each as a “Fund.”

Cranshire acts as the Investment Manager for each Fund, as well as an Investment Manager to separately managed accounts (generally with similar investment objectives and investment strategies as those employed by the Funds). This Brochure will generally refer to trading activities on behalf of the Funds, but virtually all of the trading on behalf of the U.S. Feeder Fund and the Offshore Feeder Fund occurs at the Master Fund level. There may be times, however, that the U.S. Feeder Fund and/or the Offshore Feeder Fund make and hold investments directly, rather than through the Master Fund, in instances in which the Fund’s general partner deems that it would be appropriate for such Fund to do so for tax, regulatory or operational reasons and in instances in which the Investment Manager has determined that it would not be appropriate for the Master Fund to make the investment for tax, regulatory or operational reasons.

The Funds’ investment objective is to achieve superior risk adjusted returns through acquiring equity securities and equity equivalent securities (*i.e.*, securities that are convertible or exchangeable into, or exercisable for, equity securities, such as options, warrants and convertible preferred stock) of public and private domestic and foreign issuers of all sizes. Cranshire engages in frequent private placement transactions, as well as in hedges of these private placement transactions. Additionally, the Funds seek to purchase, sell and sell short equity securities that are listed on stock exchanges and traded over-the-counter and to buy and sell options listed on option exchanges.

Cranshire has broad and flexible investment authority and has no limitations on the investment strategies that it may pursue. In order to maintain flexibility and to capitalize on investment opportunities as they arise, no Fund is required to invest any particular percentage of its portfolio in any type of investment, and the amount of each Fund’s

portfolio which is invested in any type of investment, which is long or short, or which is weighted in different sectors, can change at any time based on the availability of attractive market opportunities. Accordingly, the Funds may buy, hold, sell, exchange or otherwise acquire or dispose of, or enter into transactions with respect to stocks, bonds, derivatives transactions (including, without limitation, options and forward contracts based on interest rates, currencies, loans, debt securities or equity securities), currency-related transactions and other securities or financial instruments of any nature, and any other property or interests in real or personal property, including, but not limited to, interests in limited liability companies, general and limited partnerships and any other kind of business or investment entity. On occasion, the Funds may invest in private placements through other investment advisers should these investment opportunities fit Cranshire's current investment strategy.

As of December 31, 2013, Cranshire has regulatory assets under management of approximately \$187,044,000 all of which are managed on a discretionary basis in Cranshire's sole discretion.

### **Principal Owners/Ownership Structure**

Cranshire Capital Advisors, LLC is a single member limited liability company wholly owned by Mitchell Kopin.

The Funds are structured as follows. The U.S. Feeder Fund, the Offshore Feeder Fund and the Master Fund are owned each 100% by their general partner, Downsview Capital, Inc. (the "General Partner") with the remainder owned by the Funds' respective limited partners according to each investor's capital commitment.

### **Item 5 – Fees and Compensation**

In consideration for the investment management services provided to the Funds, limited partners pay Cranshire a management fee based on each limited partner's investment in the Fund. Generally, Cranshire charges an annual management fee of 1%, payable quarterly in advance at the first day of each fiscal quarter. Management fees are deducted from each limited partner's capital account. In the event that a limited partner makes a capital contribution to a Fund other than as of the first day of a quarter, a pro rata portion of the quarterly management fee in respect of such limited partner, based on the number of whole calendar months remaining in such partial quarter, will be paid in advance to Cranshire.

In its discretion, Cranshire may waive, reduce or calculate differently the management fee with respect to the capital accounts of certain limited partners. No management fee is charged with respect to the capital account of the General Partner, its principals, employees or affiliates or employees of Cranshire. The specific fees charged by Cranshire are described

in the relevant private placement memorandum and in each limited partner's written agreement with Cranshire.

The limited partners will pay all Fund expenses related to the respective Fund's investments and operations, including, but not limited to, research fees, interest on margin accounts, legal and accounting fees, governmental fees, borrowing charges on securities sold short, custodial fees, brokerage commissions, bank services fees, interest on loans and debit balances and expenses related to the purchase, sale or transmittal of Fund assets. The General Partner, however, provides the Funds with office space and utilities, and thus, those expenses are not borne by limited partners.

In addition, each Fund that invests in the Master Fund also pays its pro rata share of the expenses of the Master Fund, and accordingly each Fund investor also indirectly pays its pro rata share of the expenses of the Master Fund

The Funds are charged brokerage commissions, bid-ask spreads and other transaction costs and expenses in connection with their trading and investment activities, and custodian fees for Fund assets held in cash or securities at various banks, broker-dealers and other financial institutions. For a discussion of the brokerage arrangements that Cranshire enters into on behalf of the Funds, see "Brokerage Practices" in Item 12 of this Brochure.

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

Generally, on the last calendar day of each fiscal year (or earlier upon the withdrawal from any capital account), the General Partner will receive, with respect to each Fund or separately managed account, a performance-based fee of 20%, known as a performance allocation, from each limited partner's capital account. The performance allocation payable for any fiscal year is an amount equal to 20% of the increase in the net asset value of a limited partner's capital account above the "maximum capital account" (as defined herein) of such capital account (in each case adjusted for all capital contributions and withdrawals made by such limited partner during such performance period). The net asset value attributed to each limited partner's capital account is computed after the deduction of the management fee for the performance period, but before giving effect to the performance allocation or withdrawals for that performance period. The "maximum capital account" attributed to each partner's capital account is the highest net asset value of that capital account at the end of any prior fiscal year immediately following and after the reduction for such fiscal year's determination of a performance allocation with respect to such capital account. This determination assures that the performance allocation is taken only with respect to new profits and not recovered profits after a loss. If a limited partner makes a withdrawal from its capital account prior to the end of a fiscal year, Cranshire shall be entitled to receive the performance allocation, if applicable, at such time.

This fee structure is described in detail in each Fund’s private placement memorandum and in the limited partnership agreement entered into with each investor. Cranshire may, in its sole discretion, waive or reduce the performance allocation with respect to certain limited partners. Investments in a Fund by the General Partner, its principals, employees, affiliates and employees of Cranshire are not subject to any performance allocation. In addition, shares of the Master Fund held by the U.S. Feeder Fund and the General Partner will not be subject to any additional performance allocation at the Master Fund level; however, shares of the Master Fund held by the Offshore Feeder Fund will be subject to a performance allocation at the Master Fund Level.

Cranshire’s management fees, performance fees and other compensation payable to Cranshire and the General Partner are established by Cranshire at the time of the establishment of the relevant investment vehicle and are negotiated with participating investors prior to making their investment. Once the relevant Fund has been established and commenced operations, such compensation and expenses are generally not negotiable.

Once a Fund’s fiscal year has ended, any performance-based compensation earned during that year is not subject to reversal. The performance allocation to the General Partner will be based, in part, on unrealized investment gains that may never be realized in the event of adverse changes in the value of such investments. The performance-based compensation received by Cranshire creates a conflict between Cranshire’s interest in earning a profit in the short term with the long-term interest of the Funds and their investors. A performance-based allocation arrangement may create an incentive for riskier or more speculative investments by Cranshire than might be the case in the absence of such performance-based allocation arrangement because these investments may allow Cranshire to collect larger performance-based compensation; however, any such risks would be equally applicable to the General Partner’s own capital account with respect to each Fund.

## **Item 7 – Types of Clients**

Cranshire provides discretionary investment advice to its Funds and to separately managed accounts. Each Fund generally limits its investors to persons who are both “accredited investors” as defined in the Securities Act of 1933, as amended, and “qualified purchasers” as defined in the Investment Advisers Act of 1940, amended. Minimum contributions for investment in each Fund are \$100,000, but commitments in excess or less than \$100,000 are also accepted at the sole discretion of the Fund’s General Partner.

Investors in the Funds include primarily U.S. and non-U.S. investors, including, among others, high net worth individuals, other funds and institutions. In addition, employees and other persons associated with Cranshire may make capital contributions to the Funds.

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

### Investment Objective and Strategies

The Funds seek to achieve superior risk adjusted returns through acquiring equity securities and equity equivalent securities (*i.e.*, securities that are convertible or exchangeable into, or exercisable for, equity securities, such as options, warrants and convertible preferred stock) of public and private domestic and foreign issuers of all sizes. Additionally, the Funds seek to purchase, sell and sell short equity securities that are listed on stock exchanges and traded over-the-counter, and to buy and sell options listed on option exchanges. There are no limitations or restrictions to any Fund's investment strategies.

Cranshire, at times, may substantially invest in restricted securities of public companies. The Funds will take advantage of these opportunities on a case-by-case basis and at times, these opportunities may arise through investments with other investment advisers. There are no limitations on the amount of restricted securities a Fund may hold at any one time, and this amount is likely to vary significantly from time to time. Potential investors should note that investments in restricted securities often involve special situations that involve different risk parameters relative to investments in public companies that are liquid.

Investments may be in micro, small, medium or large capitalized companies. Investments may be made for short-term or long-term investment horizons, may be on a leveraged or unleveraged basis, and may consist of long and/or short positions. The Funds' portfolio investments may vary from time to time as to composition and extent invested, depending upon the number of potential holdings that meet Cranshire's selection criteria. Although a Fund may buy securities that pay dividends, little emphasis will be placed on dividend income. The Funds may also hold cash or cash equivalents when Cranshire deems it appropriate, and may borrow funds on a secured or unsecured basis from brokerage firms or other third parties.

### Investment and Portfolio Construction

There are no investment restrictions or pre-determined limitations on the investments that may be made by Cranshire. Similarly, there are no requirements with respect to diversification, or as to the type of securities that a Fund may hold or buy or sell.

- Equity Securities: It is anticipated that a significant portion of each Fund's portfolio will consist of long and short positions in exchange-traded equity securities of a limited number of U.S. and foreign issuers. As a general principle, Cranshire selects equity securities for investment on the basis of its investment strategy, and without any fixed requirements as to capitalization, revenues, earnings or other specific fundamentals. Accordingly, a Fund could have positions in issuers of various



capitalizations, in positions of limited liquidity or varying degrees of speculative quality. It is possible that certain of a Fund's portfolio securities may not be widely traded and that such Fund's positions in such securities may be substantial in relation to the public market (*i.e.* float) for such securities.

- Other Securities and Instruments: Although the Funds will invest primarily in equity securities, the Funds may also invest in and trade a variety of securities, instruments and other investments, whether traded on exchanges, over-the-counter or negotiated on electronic markets. As a result, the Funds' investments, in Cranshire's discretion, may also include: fixed income securities; convertible and hybrid stocks and debt securities, including high-yield securities; warrants and options (including "market-basket options"); structured and other synthetic securities and related derivative instruments, such as forwards; options; caps and floors; other derivatives, including those relating to equity securities; equity indices; exchange-traded funds ("ETFs"); interest rate products; corporate and government securities; money market instruments; foreign currencies and interests in currencies, such as options, spot, forward contracts; certificates of deposit; banker's acceptances; trust receipts and trade and commercial obligations; loans; bridge loans; advances; loan participations and creditor claims, whether secured or unsecured, performing or nonperforming, and irrespective of ranking; and any other instruments or other evidences of indebtedness, and any other securities, instruments, derivatives and investments deemed appropriate by Cranshire. The Funds may invest in the securities of foreign issuers, including both those traded overseas as well as those traded in the United States (such as American Depositary Receipts).
- Short Positions: Short positions may comprise a significant portion of each Fund's portfolio. In short selling, a Fund will sell securities it does not own by borrowing such securities from a third party, such as a broker-dealer. Short positions will be held for both profit opportunities and for hedging purposes. At any particular time, a Fund's portfolio may be "net long" (*i.e.*, the value of long positions, at cost, will be greater than the net exposure on short positions) or "net short" (*i.e.*, the net exposure on short positions will be greater than the value of long positions).
- Restricted Securities: Each Fund may invest in "restricted securities" (*i.e.*, securities as to which the public resale is restricted under the Securities Act and which are not immediately freely tradable). Cranshire intends to purchase restricted securities where pricing characteristics justify the limited liquidity and which provide the means of achieving eventual marketability (*e.g.*, registration rights under the Securities Act). These opportunities may arise through other investment advisers, whereby Cranshire will defer management and back office operations of these investments to such

investment adviser. There will be no limit as to the percentage of any Fund's assets that may be invested in restricted securities.

- Initial Public Offerings. A portion of each Fund's portfolio may include stocks purchased in initial public offerings ("IPOs") in situations when such companies satisfy Cranshire's investment methodology.
- Foreign Issuers: Each Fund may invest in the securities of foreign issuers, including both those traded overseas as well as those traded in the United States.
- Cash Positions: As a defensive strategy, or pending the identification of companies meeting Cranshire's methodology, each Fund may hold or invest in cash, U.S. government securities, commercial obligations, bankers' acceptances, certificates of deposit, money-market instruments and other cash equivalents. Accordingly, the Funds may not be fully invested at all times.
- Other Investments: Cranshire is authorized to invest in all types of securities, instruments, derivatives and investments in furtherance of the Funds' investment strategy, including, but not limited to, those described above. Accordingly, such possible investments and instruments to be utilized by any Fund will not necessarily be limited to those described herein.

### **Investment Techniques**

- Hedging: Cranshire employs a variety of hedging techniques with respect to the Funds. Such techniques are intended to limit an investment portfolio's exposure to market declines in individual positions or other risks. Hedging may involve a variety of instruments and strategies, including selling short securities, taking offsetting positions in options or other derivatives related to specific securities, investing in market index or "market basket" instruments or assuming short positions in junior securities of the same issuer. There is no requirement that any Fund positions be hedged.
- Short Selling: Short selling is employed as an inherent part of each Fund's investment strategy. Selling securities short involves selling securities that a Fund does not own. In order to make delivery to its purchaser, a Fund must borrow securities from a third party lender. A Fund is also required to pay all fees and costs charged by such third party lender in connection with the borrowed securities. These fees and costs charged by such third party lenders may be significant, either individually or in the aggregate. A Fund subsequently returns the borrowed

securities to the lender by delivering to the lender securities purchased in the open market. A Fund must generally pledge cash with the lender equal to the sales proceeds of the borrowed securities as well as any additional cash or securities required as collateral under applicable margin regulations. A Fund will generally realize a profit (or a loss) as a result of a short sale if the price of the security decreases (or increases) between the date of the short sale and the date on which a Fund covers its short position.

- Options: The Funds may engage in various types of options transactions, including speculative and hedging positions in options on securities, indices and other investments, including buying and selling both put and call options. Hedging activity is designed to reduce the risks relating to market fluctuations in the price of a security held long by a Fund, as well as risks attendant to short selling, and may offset other transactions in the underlying stock or other securities held by such Fund involved in the transaction. Short positions maintained by the Funds may be hedged through the purchase of call options on the securities sold short. In certain situations, a Fund may purchase call options as an alternative (in whole or in part) to establishing a long position.

Cranshire may utilize options on specific securities, as well as combinations of options, such as straddles or spreads, and market index or “market basket” options or other instruments, to increase or adjust investment exposure or in order to seek to limit certain risks. Accordingly, a Fund may have positions in a variety of options or similar instruments.

- Derivatives: Cranshire utilizes various types of derivatives in furtherance of each Fund’s investment objective. These instruments may be employed in order to increase return, as a partial or complete hedge against other Fund positions or against certain market or interest rate risks or as part of other trading strategies. Such instruments are generally established through a negotiated contract entered into by a Fund with a financial counterparty. In connection therewith, a Fund will generally be required to deliver eligible collateral to the counterparty or to receive eligible collateral from the counterparty (as applicable), typically consisting of cash, securities or other instruments held in such Fund’s or counterparty’s portfolio (as applicable). In the event of a default by a Fund or other prescribed events, the counterparty may use, assign and/or liquidate the collateral and/or require the Fund to provide additional collateral. Such instruments are generally illiquid with no trading market.

## **Risk Management**

Cranshire has broad and flexible investment authority to engage in a variety of strategies and invest in a variety of asset classes without the consent of any limited partner of any Fund. In order to maintain flexibility and to capitalize on investment opportunities as they arise, no Fund is required to invest any particular percentage of its portfolio in any type of investment, and the amount of a Fund's portfolio which is invested in any type of investment, which is long or short, or which is weighted in different sectors, can change at any time based on the availability of attractive market opportunities. Accordingly, a Fund may buy, hold, sell, exchange or otherwise acquire or dispose of, or enter into transactions with respect to stocks, bonds, derivatives transactions (including, without limitation, options and forward contracts based on interest rates, currencies, loans, debt securities or equity securities), currency-related transactions and other securities or financial instruments of any nature, and any other property or interests in real or personal property, including, but not limited to, interests in limited liability companies, general and limited partnerships and any other kind of business or investment entity.

The development of an investment strategy is a continuous process, and Cranshire's investment strategies and methods may therefore be modified from time to time. Cranshire's investment methods are proprietary and trading decisions require the exercise of judgment. Such decisions may or may not yield profits or avoid losses. Investors cannot be assured that the strategies or methods utilized by Cranshire will result in profitable trading for any Fund. The Funds' General Partner has the right to alter or modify the investment strategy of any Fund without obtaining the prior approval of any limited partner. Cranshire may alter the composition of a Fund's investments as attractive opportunities present themselves.

### **Risk Factors**

No investment is free of risk. Current and prospective Cranshire limited partners are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. All investors should be aware of certain risk factors, which include, but are not limited to, the following:

- Counterparty and Custody Risk: When a Fund invests in options, derivative or synthetic instruments, forward contracts, or other over-the-counter transactions, such Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties may not benefit from such protections

and expose the parties to the risk of counterparty default. Recent collapses of large derivative dealers illustrate the risks of such trading.

- Speculative Nature of the Funds' Investment Program: The Funds' investment program is speculative and involves a high degree of risk. There is no assurance that the investment decisions made by Cranshire will not expose the Funds to risk of significant losses. In addition, the analytical techniques used by Cranshire cannot provide any assurance that Cranshire will not be exposed to the risk of significant trading losses if the underlying patterns of market behavior analyzed by Cranshire, and which provide the basis for its models, change in ways not anticipated by Cranshire.
- Leverage; Financing Arrangements: The Funds may employ leverage in an effort to generate a satisfactory rate of return or when deemed appropriate, to facilitate limited partner withdrawals. Leverage may be employed by means of conventional margin arrangements or through options, derivatives, and other financial instruments with embedded leverage (which may be exchange-listed or over-the-counter) in which a Fund will typically be required to pledge assets of such Fund to secure its obligations under these financial instruments. The amount of leverage or borrowings which any Fund may have outstanding at any time may therefore be large in relation to its capital. Consequently, the level of interest rates generally, and the rates and terms at which a Fund can borrow in particular, will affect the Fund's operating results.

Possible losses incurred on a Fund's leveraged investments will increase in direct proportion to the degree of leverage employed. Such leverage could also result in a Fund being forced to liquidate positions prematurely in order to meet margin calls, causing otherwise partially-hedged positions to incur major losses. The Fund also incurs interest expense on the borrowings used to leverage its positions. As a general matter, the banks and dealers that provide financing to the Funds can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks and dealers in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that any Fund will be able to secure or maintain adequate financing, without which such Fund may not be a viable investment.

Additionally, the use of leverage exposes each Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had such Fund not borrowed to make the investments; (ii) margin calls or interim margin requirements which may force premature liquidations of investment

positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds such Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of a Fund's assets, such Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses. With respect to embedded leverage, each Fund may be subject to major losses in the event that market events disrupt the hedged nature of its positions or it is forced to liquidate positions at a disadvantageous time. Furthermore, the credit extended to a Fund by dealers to permit it to maintain its leveraged positions can be terminated by the dealers largely in their discretion, forcing liquidation at potentially material losses.

- Changes in Investment Approach and Instruments Traded: Cranshire's investment approach can be expected to be dynamic, changing over time as Cranshire develops new and discards old methods. Thus, Cranshire may not use the same investment approach in the future that it currently uses or plans to use to manage each Fund's trading and investing. The specific details of Cranshire's investment approach are proprietary; consequently, limited partners will not be able to determine the full details of that approach, or whether that approach is being followed. Cranshire may also change the range of instruments and jurisdictions traded, and such changes may have a negative effect on each Fund's investment performance.
- Allocations of Trades and Investment Opportunities. It is Cranshire's policy to allocate investment opportunities to the Fund and to any separately managed accounts fairly, to the extent practical and in accordance with the Fund's or separately managed accounts' applicable investment strategies, over a period of time. Cranshire will have no obligation to purchase or sell financial instruments or provide an investment opportunity to the Fund or separately managed accounts because Cranshire purchases or sells the same financial instrument for, enters into a transaction or provides an opportunity to a separately managed account or the Fund if, in its reasonable opinion, such financial instrument, investment opportunity or transaction does not appear to be suitable, practical or desirable for the Fund or such separately managed account.
- Volatility Risks: The prices of the instruments traded by Cranshire have been highly volatile during certain periods in the past, and such periods may recur. The price movements of these instruments are caused by many unpredictable factors, including, but not limited to, market sentiment, inflation rates, interest rate movements and general economic and political conditions. Volatility creates the specific risk, in the case of Cranshire, that historical or theoretical pricing relationships will be disrupted, causing what would otherwise be a comparatively low-risk "relative value" position to incur major losses. Past returns of the Funds will not necessarily be indicative of its future performance.

- Lack of Liquidity of Investments: The markets for instruments traded by the Funds may have limited or no liquidity. Cranshire does not intend to generally limit investments to issues of any particular minimum capitalization and may, in fact, focus upon smaller or micro capitalization stocks when such securities appear to afford greater appreciation or depreciation potential. Such stocks often have less liquidity than large capitalization issues. Lack of liquidity could disadvantage the Funds both in the realization of quoted prices and in order execution. Lack of liquidity would increase the risk that a Fund could be required to liquidate positions at disadvantageous prices because of its inability to raise margin collateral from other sources. The risk of market illiquidity is materially heightened by the use of leverage and the possibility that margin calls will need to be met in declining or disrupted market conditions.
- Equity Risks: The Funds may invest in equity securities that include a broad variety of issuers and instruments. There will be no overall requirements with respect to earnings, revenues, market capitalization or other criteria applicable to each Fund's investments. Accordingly, equity investments may include many securities which are speculative or are of higher risk than those of the most mature or prominent companies. Many equity investments by each Fund may be in emerging growth companies which can involve extensive periods of time before their investment potential is realized. Such issuers also involve generally a higher degree of investment risk than more seasoned companies. The value of these securities generally varies with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if it invests in equity securities of issuers whose performance diverges from Cranshire's expectations or if equity markets overall or equities comprising a particular industry sector, capitalization level, or other grouping generally move in a single direction and the Funds have not adequately hedged against such a general move.

Each Fund may invest a portion of its assets in the stocks of companies with micro-to medium-sized market capitalizations. While Cranshire believes these investments often provide significant potential for appreciation, these stocks, particularly micro-and smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of these stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some these stocks, an investment in these stocks will likely be more illiquid than that of larger capitalization stocks.

- Debt Instruments: Debt instruments held by each Fund will, in general, be affected by changes in interest rates that will in turn result in increases or decreases in the

market value of those instruments. The market value of debt instruments held by a Fund can be expected to vary inversely to changes in prevailing interest rates. Each Fund may invest in securities rated lower than investment grade. Low-rated and comparable unrated securities likely have quality and protective characteristics that, in the judgment of a rating organization, are outweighed by large uncertainties or major risk exposures to adverse conditions, and may be predominately speculative.

- Restricted Securities: Each Fund may invest in “restricted securities,” which are not immediately convertible into freely tradable securities. Cranshire intends to purchase restricted securities where pricing and growth characteristics justify the limited liquidity and which provide the means of achieving eventual marketability, such as registration rights under the Securities Act. These opportunities may arise through other investment advisers, whereby Cranshire will defer management and back office operations of these investments to such investment adviser and thus, Cranshire will be reliant on a third-party investment acumen and resources. There will be no limit as to the percentage of any Fund’s assets which may be invested in restricted securities.
- PIPEs: Unlike the purchase of freely tradable common stock in the open market, each Fund’s PIPEs investments generally involve contractual obligations by the issuer of such securities requiring the issuer to take certain actions, such as registering the securities or, in the case of convertible securities, issuing the underlying securities upon exercise of convertible securities and registering the underlying securities with the appropriate federal and state authorities for resale. In order for any Fund’s investment strategy to be effective, the issuer of such securities must abide by its contractual obligations. Each Fund intends to enforce its rights under its contractual relationships with issuers, although Cranshire understands and will take into account the costs of litigation. If an issuer fails to meet its contractual obligations, in addition to the possibility of being involved in costly litigation, a Fund may be unable to dispose of the securities at appropriate prices if at all, or may experience substantial delays in doing so, and thus such Fund may not be able to realize the anticipated profit with respect to such investment for a substantial period of time, if ever. There can be no assurances that any issuer will succeed in registering for public resale the securities held by any of the Funds or that registration of securities pursuant to any such arrangement will create liquidity.

In connection with its sales of securities purchased pursuant to Regulation D or otherwise exempt from registration, a Fund could be deemed to be a “statutory underwriter” based on the method and timing of such sales. If any Fund were deemed to be a “statutory underwriter” it could have an adverse effect on the



transaction(s) in respect of which such determination is made and, possibly, on such Fund's ability to continue to effectively pursue this investment strategy. A Fund could be held jointly and severally liable with the issuer to the persons purchasing securities from it for damages based upon misstatements or omissions of material facts in a prospectus or oral communication delivered or made in connection with such offer or sale. If the securities held by any Fund are not registered, such Fund will be able to resell those securities publicly only pursuant to Rule 144 of the Securities Act and only in a manner in which such Fund will not be deemed to be engaged in a distribution of such securities and therefore not to be an "underwriter" with respect to such securities.

A Fund's PIPEs investments may be extremely difficult to value accurately. In light of the foregoing, there is a risk that a limited partner who withdraws all or part of his investment while a Fund holds such PIPEs investments will be paid an amount less than it would otherwise be paid if the actual value of such PIPEs investments is higher than the value designated by such Fund. Similarly, there is a risk that such limited partner might, in effect, be overpaid if the actual value of the PIPEs investments is lower than the value designated by such Fund. In addition, there is a risk that an investment in a Fund by a new limited partner, or an additional investment by an existing limited partner, could dilute the value of such existing investors' interests in PIPEs investments.

- Derivative Instrument Risks: Each Fund may make use of various derivative instruments, which may include warrants, options, and convertible securities. The use of derivatives involves a variety of material risks, including the high degree of leverage often embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to liquidate positions in order either to realize gains or limit losses. Many derivatives are valued on the basis of dealers' equivalents. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative may be materially different. Such differences can result in an overstatement of a Fund's net asset value, and may have a materially adverse effect on a Fund in situations in which a Fund is required to liquidate positions in order to raise funds.

A Fund may be obligated to indemnify various broker-dealers or derivative counterparties against certain liabilities such parties may incur in connection with derivative instruments used by such Fund. Such indemnification obligations may survive long after the derivative instrument has been unwound or terminated. Should a Fund or a party which a Fund has agreed to indemnify be named as a

defendant in a lawsuit or regulatory action stemming from a derivative instrument to which a Fund is a party, the Fund would bear the additional costs of defending and indemnifying against such action and would be at further risk if the Fund or the indemnified party failed to prevail in the litigation.

- Limitations on Hedging Strategies: Cranshire may employ certain hedging techniques in connection with each Fund's investment strategy. However, there is no requirement that all or any of a Fund's positions be hedged, and there may be times when none of a Fund's positions are hedged. Moreover, such strategies are intended to hedge against certain risks, often general market risk such as a price decline in the overall equity markets, but will not hedge against other risks, such as opportunistic investment risk, issuer risk, industry risk, sector risk or catastrophic risk, any of which could be significant. The costs of hedging necessarily reduce the profitability of the position sought to be hedged. There is no assurance that Cranshire's intended hedging strategies can necessarily be implemented, or if established will necessarily succeed in eliminating the intended risk.

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline but establishes other positions designed to gain from those same developments. For a variety of reasons, however, Cranshire may not seek or be able to establish a sufficiently accurate correlation between hedging instruments and the portfolio holding or holdings sought to be hedged. Such imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. There may be risks that are not identified, and therefore unhedged, or there may be risks where an efficient hedging strategy is unavailable. It should be assumed that a Fund's portfolio may be exposed to significant risks, including issuer and industry risks, notwithstanding Cranshire's hedging strategies.

- Short Sale Risks: Each Fund sells securities short in implementing its trading and risk management strategies. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on a Fund's portfolio. Because the borrowed securities sold short must later be replaced by market purchases, any appreciation in the market price of these securities will result in a loss. Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by a Fund. In addition, purchasing securities to close out the short position can itself cause their market price to rise further, increasing losses. Furthermore, a Fund may be prematurely forced to close out a short position

if a counterparty from which a Fund borrowed such security demands its return, as counterparties may do in their discretion, resulting in a loss on what might otherwise have been a profitable position.

- Option Risks: Each Fund may engage in options trading, both for speculative and for hedging purposes. Options trading involves certain risks which trading in the underlying securities, stock indices and/or stock index futures listed on a national securities exchange or traded in an over-the-counter market alone does not. For example, interest rates and market volatility directly impact option values, and options have limited life spans and so may expire worthless despite the underlying position becoming profitable soon thereafter. The effectiveness of engaging in stock index options as a hedging technique will depend on the extent to which price movements in assets that are hedged correlate with price movements of the stock index selected. Successful use of options on stock indices may depend on the ability of Cranshire to predict correctly movements in the direction of the stock market generally or of a particular industry or market segment. This ability requires skills and techniques different from those used in predicting changes in the price of individual stocks.

Should a Fund write (sell short) options, it could sustain major marked-to-market losses – even if the options sold are never “in-the-money” – as a result of increases in market volatility and/or market movements towards the strike prices of such options. Because volatility is directly reflected in the market value of options, the extreme volatility of market prices increases both the costs and the risks of options trading.

- Risks from Hedging Activities: Cranshire may, as described above, from time to time utilize stock index futures for the purpose of reducing any net long or short exposure to the performance of the stock market as a whole or to individual sectors. There remains a substantial risk, however, that hedging techniques may not always be effective in limiting losses. If Cranshire’s trading methodology or risk models analyze market conditions or risk incorrectly, Cranshire’s hedging techniques could result in a loss, regardless of whether the intent was to reduce risk. In addition, hedging activities often will reduce the overall return of the portfolio.

## **Item 9 – Disciplinary Information**

Like other registered investment advisers, Cranshire is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a limited partner’s evaluation of Cranshire or the integrity of Cranshire’s management. No events have occurred at Cranshire that are applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Cranshire is not actively engaged in a business other than giving investment advice to the Funds and separately managed accounts. Neither Cranshire nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing, and Cranshire does not anticipate such affiliations in the future.

At times, Cranshire will invest in restricted securities through other third party investment advisers, whereby Cranshire will defer day-to-day management and back office operations of these investments to such investment adviser. Cranshire will be reliant on these third-party investment adviser's investment acumen and resources. Cranshire, however, will perform its own due diligence surrounding any investments it chooses to make on behalf of a Fund or separately managed account. As no additional fees are charged surrounding these investments and any investment completed will be within each Fund's and separately managed account's investment criteria, Cranshire believes that no material conflicts of interest arise in connection with these arrangements.

Other than as stated above, Cranshire has no arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its advisory services, the Funds or its investors.

Cranshire's Chief Compliance Officer, Benjamin E. Kopin, also serves as the managing member of another fund investment manager, Dundee Long/Short Advisors, L.P. Mr. Kopin's relationship with Dundee Long/Short Advisors, L.P. does not create a conflict for Cranshire limited partners, or for Dundee Long/Short limited partners. First, the strategy of both funds differs; Dundee Long/Short Advisors pursues primarily long and short equity opportunities, while Cranshire focuses on many investment strategies, with an emphasis on private placements. Second, Mr. Kopin receives no material nonpublic information about any equities at either firm. Finally, Cranshire has a robust compliance program designed to prevent any potential conflict of interest.

Cranshire has and will continue to develop relationships with professionals who provide services it does not provide, including: legal, accounting, banking, tax preparation, insurance brokerage, investment management services and other personal services. None of the above relationships, however, creates a material conflict of interest with any of Cranshire's clients or its investors.

From time to time, Cranshire may receive training, information, promotional material, meals,

gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will Cranshire accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics**

As fiduciaries, Cranshire and its employees have certain legal obligations to put clients' interest ahead of their own. Cranshire has adopted a written Code of Ethics based on principles of openness, honesty, integrity and trust. At least once a year, each Cranshire employee is required to acknowledge this Code in writing and agree to be bound by it.

Cranshire's Code of Ethics covers standards of business conduct, confidentiality of client information, personal trading requirements, insider trading, reporting of personal securities transactions, restrictions on accepting and giving of significant gifts, political contribution policies, and reporting of certain gifts and business entertainment items, among other things.

In rare cases, Cranshire's business may provide Cranshire and its employees with access to material nonpublic ("insider") information. The Code includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

Employees of Cranshire who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Personnel are also required to promptly report any violations of the Code of Ethics of which they become aware.

Cranshire will provide a copy of its Code of Ethics to any existing or prospective limited partner upon request to its Chief Compliance Officer, Benjamin E. Kopin, at (847) 562-9030.

### **Participation or Interest in Client Transactions**

Cranshire and certain employees and affiliates of Cranshire may invest in and alongside the Funds, either through the General Partner, as direct investors in the Funds or otherwise. A Fund or the General Partner, as applicable, may exempt such person from all or a portion of the management fee or performance fee.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. An

agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. It is Cranshire's policy that it will not affect any principal transactions for client accounts. Cranshire will also not cause clients to enter into securities trades with each other. In the event that Cranshire does engage in a principal or agency cross transaction, it will obtain approval from clients on both sides of the transaction.

### **Conflicts of Interest**

In addition to the conflict of interest arising from trading by Cranshire or its principals or employees for their own accounts as discussed immediately above, and conflicts relating to Cranshire's receipt of performance-based compensation, which are discussed in Item 6 and 10 above, clients or investors in the Funds and separately managed accounts are subject to additional conflicts of interest. The offering documents for each Fund details a complete description of what Cranshire believes to be the most significant conflicts of interest associated with an investment in a Fund. Some of these conflicts are summarized below; however, this summary does not attempt to describe all of the conflicts of interest associated with an investment in the Funds.

In addition to the Funds, Cranshire also currently serves as investment manager to separately managed accounts. The investment objectives and investment strategies of the separately managed accounts are similar to the investment objective and investment strategies employed by the Funds, but Cranshire has full discretion to enter into separately managed account relationships with investors desiring different investment objectives and investment strategies than the Cranshire Funds.

Cranshire's personnel intend to devote such time to the business of each Fund as they each deem necessary. However, Cranshire's personnel may have other ongoing investment and business responsibilities, including, but not necessarily limited to, the management of other clients, or in the case of Mr. Kopin, another Fund. The existence of other clients may create conflicts as to time and resource commitments on the part Cranshire's personnel, which could have the effect of reducing the time they will devote to the investment activities of the Funds.

Each Funds' limited partners may include persons or entities resident in various jurisdictions, including the United States and other countries, who may have conflicting investment, tax and other interests with respect to their investments in each Fund. The conflicting interests of individual limited partners may relate to or arise from, among other things, the nature of investments made by each Fund, the structuring of the acquisition of portfolio companies

and the timing of the disposition of investments. Such structuring of portfolio companies may result in different returns being realized by different limited partners. As a consequence, conflicts of interest may arise in connection with decisions made by Cranshire that may be more beneficial for one limited partner than another limited partner, especially with respect to limited partners' individual tax situations. Cranshire considers the investment and tax objectives of each Fund as a whole, and not the individual investment, tax or other objectives of any particular limited partner.

### **Personal Trading**

In its role as investment adviser to the Funds, Cranshire and its principals and employees make investment decisions for the Funds. Cranshire and its principals and employees may trade and invest for their own accounts in the same securities as those in which it invests on behalf of the Funds. Cranshire's Code of Ethics has procedures designated to ensure that principals and employees do not enter into transactions in their personal accounts, which could, as a result of their direction or timing, materially disadvantage the Funds or separately managed accounts. Cranshire's employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information or communicating material non-public information to others. A restricted list is maintained regarding issuers about whom the Firm has material non-public information or other issuers that Cranshire believes should be added to the restricted list. Pre-clearance is required for certain personal securities transactions, including initial public offerings and certain limited offerings, by such supervised persons. In addition, the Code of Ethics requires supervised persons to submit monthly or quarterly brokerage account statements, as applicable, for review. The Chief Compliance Officer will review these account statements on a quarterly basis in order to identify any possible conflicts of interest.

### **Item 12 – Brokerage Practices**

Cranshire has full investment discretion with respect to the initiation of all portfolio securities transactions for the Funds, as well as full authority to select broker-dealers to execute such transactions. Cranshire utilizes a number of broker-dealers to effect transactions for the Funds. Such broker-dealers are selected based upon, among other things, the amount of transaction costs; the quality of execution; the broker-dealer's expertise in particular markets; the reputation, experience and financial stability of the firm; the availability of stock loans; the quality of service; the familiarity both with investment practices generally and the techniques employed by each Fund; research and analytic services; and clearing and settlement capabilities. These factors are subject at all times to principles of best execution.

In addition to the foregoing principles of broker-dealer selection, Cranshire intends to allocate a portion of the Fund's brokerage business to brokers on the basis of certain

considerations, including securities allocation, the availability of margin or other leverage, the availability of stock loans, block positioning or other special execution capabilities or other services provided to the Funds. In so allocating brokerage, the commissions each Fund will pay to such broker-dealers will not necessarily represent the lowest commission rate available, but will reflect Cranshire's evaluation of the brokerage-related services supplied by such brokers and which benefit a Fund, either alone or together with the other clients of Cranshire.

Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a "safe harbor" to investment managers who use commission dollars of their advisory accounts ("soft-dollar" arrangements) to obtain investment research, brokerage and other services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities, provided that the amount of any increased commission costs on account of such research or other services is reasonable relative to the value of the services so provided. Cranshire will utilize allocations of commission dollars solely to pay for (i) certain expenses which would otherwise be borne by the Funds (and which therefore do not involve the conflict of interest issues normally presented by "soft dollar" arrangements covered by Section 28(e)); and/or (ii) products or services that qualify as "research and brokerage services," within the meaning of Section 28(e), pursuant to arrangements that meet the other requirements of that section.

When Cranshire deems the purchase and sale of securities to be in the best interest of a Fund, and any other managed vehicles or accounts, it may aggregate the securities to be purchased or sold in order to obtain superior execution and/or lower brokerage expenses. In particular, execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day may be averaged. In such events, allocation of the securities purchased or sold, as well as expenses incurred in the transaction, will be made among a Fund, and any other participating separately managed accounts, by applying such considerations as Cranshire deems appropriate, including relative account size of such Funds and accounts, amount of available capital, size of existing positions in the same or similar securities, impact of leverage, tax considerations and other factors. The Funds will not be entitled to investment priority over other accounts of Cranshire and the Funds may not necessarily participate in every investment opportunity. In general, when managing directly Fund capital, Cranshire will endeavor to make all investment allocations in a manner that it considers to be the most equitable to all managed entities and accounts.

### **Item 13 – Review of Accounts**

Benjamin E. Kopin, Chief Compliance Officer, reviews records of trades placed for the Funds on a regular basis. Each investor receives a quarterly statement from Cranshire's third party administrator showing its capital account balance and each investor receives an annual



report containing audited financial statements within 120 days of Cranshire's fiscal year-end. All reports are sent to investors in writing and are delivered by post or electronically.

#### **Item 14 – Client Referrals and Other Compensation**

Cranshire does not use third-party marketers to assist in its fundraising efforts.

#### **Item 15 – Custody**

While Cranshire places all Fund assets in custody with prime brokers and other executing broker-dealers and does not maintain physical custody over any investors' funds or securities, it is still considered to have custody over these assets by its ability to deduct advisory fees directly from investor accounts. Cranshire does not maintain physical custody of client assets, which are held in custody with its prime broker, other executing broker-dealers and a qualified custodian, each named in Part 1 of Cranshire's ADV. The Funds are audited annually and Cranshire delivers to the Funds and their limited partner investors a copy of the annual audited financial statements within 120 days of the fiscal year end.

Cranshire does not take physical possession of client money or securities; capital contributions are sent directly via wire or mail delivery into Cranshire's custodial accounts and warrants and securities not custodied by Cranshire's brokers are held with a qualified custodian. For more information about Cranshire's prime and introducing brokers, see Cranshire's Form ADV Part 1. Cranshire receives monthly and/or quarterly statements from its custodians per the Advisers Act Custody Rule.

#### **Item 16 – Investment Discretion**

Cranshire and its General Partner have discretionary authority based on management agreements with each of its Funds and separately managed accounts, and the limited partnership agreements or other governing documents, to buy and sell securities or other investments on behalf of the Funds or separately managed accounts, and to determine the amount of such investments to be bought and sold. The terms upon which Cranshire serves as an investment manager of a Fund or separately managed account are established at the time each Fund or account is established and are generally set out in the investment management agreement or other governing document entered into by Cranshire. Cranshire's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. No limited partners to date have limited Cranshire's discretion to provide investment advice, nor have any limited partners limited Cranshire's ability to invest in specific company sectors or otherwise.

To become an investor in a Cranshire Fund or in a separately managed account, an investor must execute a subscription agreement and an investment management agreement. Cranshire is not required to contact an investor prior to transacting any business once an investor executes these documents.

### **Item 17 – Voting Client Securities**

By virtue of the investment management agreements with each Fund and separately managed account, Cranshire has the authority to vote client securities. Cranshire has adopted a proxy voting policy pursuant to SEC Rule 206(4)-6 to describe how Cranshire votes its clients' proxies. Cranshire votes proxies consistent with the best interests of its investors and in accordance with the Fund's stated objectives, primarily in maximizing portfolio values.

Pursuant to its policy, Cranshire will generally vote in accordance with management's recommendations unless Cranshire determines that voting in such a manner is in conflict with the best interests of its Funds and investors. In these cases, Cranshire will evaluate and vote the proxies on a case-by-case basis. If it is determined that the conflict of interest is not material, Cranshire may vote proxies notwithstanding the existence of the conflict. If it is determined that the conflict of interest is material, Cranshire will resolve the conflict in one of several possible ways, such as engaging a third party to recommend a vote with respect to the proxy. In general, investors cannot request that Cranshire vote in a particular way on any specific proposal.

Investors and prospective investors may obtain a copy of Cranshire's complete proxy voting policy upon request, free of charge, from Cranshire's Chief Compliance Officer, Benjamin E. Kopin, at (847) 562-9030. Investors and prospective investors may also obtain information from Cranshire, free of charge, about how Cranshire voted any previous proxies on behalf of the Funds.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. Cranshire has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to limited partners, and has not been the subject of a bankruptcy proceeding.

## **ADV PART 2B--BROCHURE SUPPLEMENT**

This Brochure Supplement provides information about Cranshire Capital Advisors, LLC (“Cranshire”) that supplements the Cranshire Brochure. Please contact Benjamin E. Kopin, Chief Compliance Officer, at (847) 562-9030 if you did not receive Cranshire’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Cranshire is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Mitchell P. Kopin**

Year of Birth: 1961  
Portfolio Manager  
3100 Dundee Road  
Northbrook, IL 60062  
(847) 562-9030

### **Item 2 – Educational Background and Business Experience**

Mr. Kopin received a Bachelor of Science degree in Accounting from the University of Illinois. He received his Masters of Management degree from the Kellogg Graduate School of Management at Northwestern University. Mr. Kopin is a certified public accountant.

Mr. Kopin has been operating Cranshire since December 1995. Prior to founding Cranshire, from 1990 through November 1995, Mr. Kopin served as the Vice President-Research and Controller of Gilford Partners L.P., a private investment limited partnership that mainly sold short equities and options. From 1986 through 1989, Mr. Kopin worked as a clerk and/or trader on the floors of the Chicago Board of Options Exchange and the Chicago Mercantile Exchange. Prior to that, from 1983 through 1986, Mr. Kopin was employed as an auditor with Arthur Andersen & Company.

### **Item 3 – Disciplinary Information**

Mr. Kopin has never been the object of any legal or disciplinary event, proceeding or action.

### **Item 4 – Other Business Activities**

Mr. Kopin is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

### **Item 5 – Additional Compensation**

Mr. Kopin does not receive an economic benefit for providing advisory services, other than his ownership interest in the General Partner.

### **Item 6 – Supervision**

Mr. Kopin is supervised for compliance matters by Cranshire's Chief Compliance Officer, Benjamin E. Kopin, (847) 562-9030.

## **Benjamin E. Kopin**

Year of Birth: 1958  
Chief Compliance Officer  
3100 Dundee Road  
Northbrook, IL 60062  
(847) 562-9030

### **Item 2 – Educational Background and Business Experience**

Mr. Kopin graduated from The Wharton School of the University of Pennsylvania, where he received his BS in economics. Mr. Kopin received his MBA from Northwestern University's Kellogg Graduate School of Management. Mr. Kopin began working at Cranshire Capital Advisors LLC in 2012. In addition to his position at Cranshire, since 2006 Mr. Kopin has been the Managing Member of Dundee Long/Short Advisors, L.P., the General Partner of Dundee Long/Short Investment Partners, L.P.

### **Item 3 – Disciplinary Information**

Mr. Kopin has never been the object of any legal or disciplinary event, proceeding or action.

### **Item 4 – Other Business Activities**

As mentioned above, for the last eight years Mr. Kopin has been the Managing Member of Dundee Long/Short Advisors, L.P., the General Partner of Dundee Long/Short Investment Partners, L.P.

### **Item 5 – Additional Compensation**

In addition to his regular salary and bonus paid by Cranshire, Mr. Kopin receives compensation for his activities with Dundee Long/Short Advisors, L.P.

### **Item 6 – Supervision**

Mr. Kopin is supervised by Cranshires's Portfolio Manager, Mitchell Kopin, (847) 562-9030.

## **Keith A. Goodman**

Year of Birth: 1968  
Chief Operating Officer  
3100 Dundee Road  
Northbrook, IL 60062  
(847) 562-9030

### **Item 2 – Educational Background and Business Experience**

Mr. Goodman has been Chief Operating Officer of Cranshire since February 2008. Mr. Goodman received his Bachelor of Arts from Michigan State University. Mr. Goodman is a Certified Public Accountant.

From 1990 through 1999, Mr. Goodman worked in public accounting, including approximately six years with Altschuler, Melvoin & Glasser where he was promoted to Manager in 1996. From 1999 through September 2004, Mr. Goodman was Chief Financial Officer of Cranshire. From September 2004 through February 2008, Mr. Goodman was Managing Partner of Nite Capital. He became Chief Operating Officer of Cranshire in 2008.

### **Item 3 – Disciplinary Information**

Mr. Goodman has never been the object of any legal or disciplinary event, proceeding or action.

### **Item 4 – Other Business Activities**

Mr. Goodman is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

### **Item 5 – Additional Compensation**

Mr. Goodman does not receive an economic benefit for providing advisory services, other than the regular salary and bonus paid by Cranshire.

### **Item 6 – Supervision**

Mr. Goodman is supervised for compliance matters by Cranshire's Chief Compliance Officer, Benjamin E. Kopin, (847) 562-9030.

**Lawrence A. Prosser**

Year of Birth: 1973  
Chief Financial Officer  
3100 Dundee Road  
Northbrook, IL 60062  
(847) 562-9030

**Item 2 – Educational Background and Business Experience**

Mr. Prosser graduated from Lewis University with a Bachelor of Arts in Accounting. Mr. Prosser received a Master of Business Administration in from the Kellstadt Graduate School of Business at DePaul University. Mr. Prosser is a certified public accountant.

Mr. Prosser joined Cranshire as the Chief Financial Officer in November 2004. Prior to joining Cranshire, he was employed as a tax manager with Arthur Andersen LLP from 1996 through 2002 and with Deloitte Tax LLP from 2002 to 2004. While a tax manager, Mr. Prosser specialized in the financial services industry, specifically hedge funds, private equity, fund of funds, commodity pools, family offices and high net worth individuals.

**Item 3 – Disciplinary Information**

Mr. Prosser has never been the object of any legal or disciplinary event, proceeding or action.

**Item 4 – Other Business Activities**

Mr. Prosser is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

**Item 5 – Additional Compensation**

Mr. Prosser does not receive an economic benefit for providing advisory services, other than the regular salary and bonus paid by Cranshire.

**Item 6 – Supervision**

Mr. Prosser is supervised for compliance matters by Cranshire's Chief Compliance Officer, Benjamin E. Kopin, (847) 562-9030.