

**NEW GROUND CAPITAL LLC
PART 2A OF FORM ADV: FIRM BROCHURE**

New Ground Capital LLC

690 South Highway 89

Suite 200

Jackson, Wyoming 83001

Dated: March 2014

This brochure provides information about the qualifications and business practices of New Ground Capital LLC. If you have any questions about the contents of this brochure, please contact us at (307) 732-6834 or ajs@newgroundcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about New Ground Capital LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

**THIS BROCHURE SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION
OF ANY OFFER TO BUY ANY SECURITY.**

Item 2 MATERIAL CHANGES

This Brochure is updated at least annually to reflect current information about New Ground Capital LLC. Only specific material changes that are made to the Brochure since its last annual update are summarized in this Item. The date of the Brochure's last annual update was March 2013.

Currently, our Brochure may be requested by contacting Amy Sullivan at (307) 732-6834 or ajs@newgroundcapital.com. We have had the following material changes from our last annual update:

- Our principal address has changed from 150 Allens Creek Road, Rochester, N.Y. to 690 South Highway 89, Suite 200, Jackson, Wyoming 83001
- Anton Schutz, a founding principal, has resigned from the Advisor effective December 31, 2013.
- The Advisor no longer relies on Mendon Capital Advisors Corp. for infrastructure support and maintains these functions independently.

Item 3 TABLE OF CONTENTS

ITEM	PAGE
Item 2 Material Changes	1
Item 3 Table Of Contents.....	2
Item 4 Advisory Business	3
Item 5 Fees And Compensation.....	3
Item 6 Performance-Based Fees And Side-By-Side Management	4
Item 7 Types Of Clients	4
Item 8 Methods Of Analysis, Investment Strategies And Risk Of Loss	4
Item 9 Disciplinary Information	9
Item 10 Other Financial Industry Activities And Affiliations	9
Item 11 Code Of Ethics, Participation In Client Transactions And Personal Trading	9
Item 12 Brokerage Practices	10
Item 13 Review of Accounts.....	11
Item 14 Client Referrals And Other Compensation.....	11
Item 15 Custody	12
Item 16 Investment Discretion.....	12
Item 17 Voting Client Securities.....	12
Item 18 Financial Information	14

Item 4 ADVISORY BUSINESS

Advisory Services

New Ground Capital LLC, a Delaware limited liability company, was formed in 2011 and commenced its Advisory business in April 2012. It is primarily owned by two founding principals: Mark B. Cohen and Philip R. Sherringham. The two founding principals and a minority partner share responsibility for implementing the Advisor's investment strategies and managing its clients' investment portfolios.

New Ground Capital LLC (the "Advisor") acts as investment adviser to:

- New Ground Capital Master Fund, Ltd. (the "Master Fund"), an unregistered investment fund;
- New Ground Capital Fund, L.P., (the "Fund"), an onshore feeder to the Master Fund; and
- New Ground Capital Offshore Fund Ltd. (the "Offshore Fund"), an offshore feeder to the Master Fund.

Currently, the only investors in the Master Fund are the two unregistered feeder funds (the "Private Funds"). An affiliate of the Advisor, New Ground Capital GP, LLC (the "General Partner"), acts as general partner for the Fund. Each Private Fund listed invests all or substantially all of its assets in the Master Fund.

As of January 31, 2014, the amount of client assets managed by the Advisor on a discretionary basis was approximately \$4.37 million.

Item 5 FEES AND COMPENSATION

The Advisor (or, in the case of the Fund, its affiliate the General Partner) receives an annual performance-based allocation or fee with respect to each investor in the Fund and Offshore Fund generally equal to 20% of the net profit (both realized and unrealized) during such period above a "high water" mark. In addition, the Advisor receives a monthly management fee equal on an annual basis to 2.0% of net asset value. The Advisor (or, the General Partner, as applicable) may, in its sole discretion, waive all or a portion of any management fee or performance allocation or fee with respect to any capital account or investor in any fund, or may charge a management fee or performance allocation or fee that is otherwise on different terms than those described above.

Private Fund Expenses

On an ongoing basis, each Private Fund will indirectly bear its *pro rata* share of the expenses incurred by the Master Fund. These expenses include investment expenses (*i.e.*, brokerage and clearing expenses and commissions, dealer spreads, margin interest expenses, registration costs, research-related travel expenses, and issue and transfer taxes), custodial expenses, and legal, accounting, administration, bookkeeping, pricing, valuation, continuous offering expenses of the Private Fund, auditing and tax preparation, filing and distribution fees and expenses, taxes (if any) imposed on the Master Fund, insurance, and other ordinary and extraordinary expenses related to the Master Fund. In addition, each Private Fund bears its own ordinary and extraordinary expenses, including without limitation the Management Fee, legal, accounting, administration, bookkeeping, auditing and tax preparation, filing and distribution fees and expenses, news and quotation services,

insurance, taxes (if any) imposed on the Private Fund, and to the extent that a Private Fund in the future withdraws its investment in the Master Fund, the Private Fund will incur directly expenses of the nature incurred by the Master Fund and borne indirectly by the Private Fund while investing in the master fund/feeder fund structure. In addition, each Private Fund bears its organizational expenses and a pro rata portion of the expenses of organizing the Master Fund. To the extent not prohibited by applicable law, the Advisor may use so-called soft dollar credits generated by the Private Funds' or Master Fund's securities transactions with brokers and dealers to assist the Advisor and its affiliates in providing their respective services to the Master Fund, the Private Funds and any other account advised by the Advisor or its affiliates.

The Private Funds may enter into joint venture arrangements, co-invest with third parties, Private Fund investors and/or other Private Funds, or otherwise invest in pooled investment vehicles, registered investment companies and similar entities that may not be registered as investment companies. Any asset-based fees, performance-based fees, allocations and other expenses of such investments are in addition to the Management Fee, Performance Allocation or other fees and expenses borne by the Private Funds (including indirectly through the Master Fund).

Item 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described above the Advisor or an affiliate of the Advisor receives a performance fee or allocation with respect to each investor in the Fund and Offshore Fund. Please see Item 5 (Fees and Compensation) above.

Performance based fee arrangements may create an incentive for the Advisor to invest the Master Fund's assets (and, indirectly, the Fund's and Offshore Fund's assets) in investments which may be riskier or more speculative than would be made under a different fee arrangement. To address this potential conflict, the Advisor has established policies and procedures to review investment opportunities to ensure they are within the scope of the investment criteria set forth in the offering documentation.

Item 7 TYPES OF CLIENTS

The Advisor provides investment advice to unregistered investment funds. Please see Item 4 (Advisory Business).

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Primary Investment Strategies and Methods of Analysis

The Advisor's investment strategies are focused exclusively on the financial services sector, specifically the bank and thrift subsector. The Advisor believes that abnormal absolute returns can be earned in the bank and thrift industry due to ongoing consolidation, which in the Advisor's view is expected to continue for many years. The Advisor will invest in companies of any market capitalization but will generally focus more on mid and small cap companies in which it is possible to gain an information advantage through research, experience, and a broad network of contacts.

Investment Philosophy

The Advisor's general philosophy is to identify bank and thrift companies that will look to participate in consolidation activity either as buyers or sellers. Additionally, the Advisor may purchase

investments as trading opportunities that are identified to be undervalued based on factors including but not limited to: 1) effective stewardship of capital, 2) management team with a proven record of success in navigating through different operating environments and 3) strategic location in growth markets. The Advisor may purchase or sell put options or call options to protect the underlying investments, to generate income or for speculative purposes.

The Advisor also relies on a broad information network to gather data and find promising investments. This network includes buy-side and sell-side analysts, other financial services portfolio managers (both mutual funds and hedge funds), company management teams and industry contacts.

The Advisor may buy and sell equity securities and securities deemed by the Advisor to be equity equivalents, including without limitation, common stocks, preferred stocks, convertible securities, warrants, stock purchase rights, depository receipts, shares of investment companies and real estate investment trusts, and other equity related interests. Additionally, the Advisor may utilize options and stock index options, and may utilize futures and forward contracts (and options thereon) on stock indices and financial instruments and other securities, in each case to hedge existing long and short positions and for non-hedging (*i.e.*, speculative) purposes.

Although not a core strategy, the Advisor may short companies if the Advisor feels the company is overvalued based on comparable valuations and fundamentals of peers. Shorting may additionally be used for hedging purposes.

Certain Risk Factors

Investing in securities and derivatives involves risk of loss that investors in the Private Funds should be prepared to bear.

The following is a brief summary of certain of the more significant risks associated with the Advisor's investment strategies. References in this section to a "fund" or the "funds" refer to the Private Funds and/or the Master Fund as applicable.

For each fund managed by the Advisor, a more detailed description of the risks associated with the Advisor's investment strategies as well as other risks associated with an investment in each fund is included in the fund's private placement memorandum. *Please see the prospectus or private placement memorandum of each fund for information regarding the principal risks applicable to the fund.*

Investment and Trading Risk. An investment in a fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The funds invest in and actively trade securities and other instruments utilizing strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the debt and equity markets and the risks associated with the use of derivatives, short sales, leverage and other instruments. The Advisor has broad discretion in making investments for the funds. Investments generally consist of US equity securities and other assets that may be affected by business, financial, market or legal uncertainties. There can be no assurance that the Advisor will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. No guarantee or representation is made that a fund's investment objectives will be achieved.

Financial Industry Concentration. The Advisor will focus and hold its largest concentration of investments within the financial services industry, specifically in banks and thrifts. Accordingly, the funds will be disproportionately affected by events affecting the financial services industry. Events affecting the financial services industry may include changes in economic conditions and interest rates. In addition, companies in the financial services industry may fall out of favor with investors, causing the funds to lose money or underperform the stock market or funds concentrated in other industries. Such concentration of investments may also increase the volatility of the value of the funds' portfolio investments.

Highly Volatile Markets. The prices of the financial instruments in which each fund may invest can be highly volatile. Price movements of equity, debt and other securities and instruments in which a fund's assets are invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of government and national and international political and economic events and policies. Moreover, war, political or economic crisis, or other events may occur which can be highly disruptive to the markets, regardless of the strategies being employed. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments and derivative instruments. Such intervention often is intended to directly influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction, because of, among other things, interest rate fluctuations. Each Fund is also subject to the risk of failure of any of the exchanges on which its positions trade or the failure of applicable clearinghouses. Sustained cyclical market declines and periods of unusual market volatility make it more difficult to produce positive trading results, and there can be no assurance that the funds' strategies will be successful in such markets.

High Turnover and Transactions Costs. The Advisor actively manages the fund's portfolio. The turnover rate of a fund's investment portfolio may be significant, potentially involving substantial brokerage commissions and fees and other transactions costs. In particular, a few of the funds' investments may involve higher bid-asked spreads than investments that are exchange-traded.

Reliance on Management and Financial Reporting. Some of the strategies implemented by the fund may rely on the financial information made available by the issuers in those securities in which each fund invests. The Advisor may not be able to independently verify the financial information disseminated by the issuers in which the funds invest and may be dependent upon the integrity of both the management of these issuers and the financial reporting process in general.

Market Disruptions; Systemic Risk. The fund may incur major losses in the event of disrupted and/or illiquid markets and other extraordinary events in which historical pricing relationships become materially distorted, including through government intervention. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions caused by unexpected political, military and terrorist events or government intervention in the markets may from time to time cause dramatic losses for the funds, and such events can result in otherwise historically low-risk strategies

performing with unprecedented volatility and risk. Risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, such that a default by one institution causes a series of defaults by other institutions. This is sometimes referred to as systemic risk. Systemic risk may adversely affect financial intermediaries, such as clearing agencies, clearinghouses, banks, securities firms and exchanges, with which the funds interact on a daily basis.

Leverage and Financing Risk. The Private Funds may leverage their capital if the Advisor believes that the use of leverage may enable the fund to achieve a higher rate of return. Accordingly, the fund may pledge its securities or instruments in order to borrow additional funds for investment and other purposes. The Fund may borrow funds and enter into agreements in connection therewith and may also leverage its investment return with options, short sales, swaps, forwards, credit derivatives and other derivative instruments. The amount of borrowings which each fund may have outstanding at any time may be substantial in relation to its capital. While leverage presents opportunities for increasing a fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by a fund would be magnified to the extent the fund is leveraged. The cumulative effect of the use of leverage by a fund in a market that moves adversely to a fund's investments could result in a substantial loss to a fund which would be greater than if a fund were not leveraged. The use of leverage may create interest expenses for a fund, which can exceed the investment return from the borrowed funds. To the extent the investment return derived from securities or instruments purchased with borrowed funds exceeds the interest a fund will have to pay, a fund's investment return will be greater than if leverage were not used. Conversely, if the investment return from the assets acquired with borrowed funds is not sufficient to cover the cost of leveraging, the investment return of a fund will be less than if leverage were not used.

Concentration. The Fund may at certain times hold a few, relatively large (in relation to its assets under management) positions in securities or other instruments, with the result that a loss in any position could have a material adverse impact on the fund's capital. To the extent a fund's investments are concentrated in a single issuer, industry, geographic region or any other applicable exposure, a fund will be susceptible to a greater degree of risk affecting investments in that issuer, industry, geographic region or any other applicable exposure than would otherwise be the case. Such concentration of investments may increase the volatility of the value of a fund's portfolio investments. Each Fund is subject to percentage parameters to reduce the risk inherent in a concentrated investment.

Risk of Investing in Illiquid Investments. Certain of the investments of the fund may be or become illiquid and involve a high degree of business and financial risk that could result in substantial losses. Because of the absence of active or regulated trading markets for these illiquid investments, and because of the difficulties in determining market values accurately, it may take the fund's longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of illiquid investments could be less than those originally paid by a fund. Further, although not a core investment strategy, companies whose securities are not publicly listed may not be subject to public disclosure and other investor protection requirements applicable to issuers of publicly traded securities.

Risk of Short Selling. While not a core strategy, securities believed to be overvalued may be entered into short sale positions, both directly and indirectly through the use of credit default swaps, options and other derivative instruments. When a fund effects a short sale, it may be obligated to leave the proceeds of the short sale with the broker and also deposit with the broker an amount of cash or other securities (subject to requirements of applicable law) that is sufficient under any applicable margin or similar regulations to collateralize its obligation to replace the borrowed securities that have been sold. Short selling involves selling securities which are not owned by the short seller and delivering borrowed securities to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs, the costs of borrowing the securities and any interest or dividends on the securities that must be paid to the lender of such securities. The extent to which a fund engages in short sales will depend upon the Advisor's investment strategy and opportunities. In certain cases, a short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to a fund of buying those securities to cover the short position. There can be no assurance that a fund will be able to maintain the ability to borrow securities sold short. In such cases, a fund can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Additionally, certain market participants could accumulate such securities in a "short squeeze," which would reduce the available supply, and thus increase the cost, of such securities. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Risk of Investing in Small Capitalization Companies. The fund may invest a portion of its assets in small and/or unseasoned companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, the securities of companies with small capitalization may be traded only on over-the-counter markets or on regional securities exchanges. As a result, the securities of smaller companies may be subject to wider price fluctuations. When liquidating large positions in small companies, a fund may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small transactions over an extended period of time. The Advisor is well aware of the information flow surrounding such investments, and, as such, using a measure such as daily average volume may not be entirely appropriate. In addition, many of these securities exhibit "asymmetrical illiquidity" in that large positions are easy to sell but hard to find.

Non-Public Information Restrictions. In the event the Advisor and/or any of its affiliates have access to or are in possession of material, non-public information concerning a company in which the funds invest or may invest, the Advisor may be restricted from effecting purchases and/or sales of securities on behalf of the funds and/or other private and public pooled investment vehicles, managed accounts and/or other clients of the Advisor or its affiliates (collectively, "*Other Clients*"). Such a restriction may force a fund to hold positions longer than anticipated or cause it to forego an opportunity to profit on certain positions. At times, the Advisor, in an effort to avoid restriction for the funds or its Other Clients, may elect not to receive such information, which may be relevant to the funds' portfolios, that other market participants are eligible to receive or have received.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN THE ADVISOR'S METHODS OF ANALYSIS AND INVESTMENT STRATEGIES USED IN FORMULATING INVESTMENT ADVICE OR MANAGING ASSETS.

Please see Items 10 (Other Financial Industry Activities and Affiliations), 11 (Code of Ethics, Participation in Client Transactions and Personal Trading), and 12 (Brokerage Practices).

Item 9 DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Advisor's advisory business or the integrity of the Advisor's management.

Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Advisor's affiliate, New Ground Capital GP, LLC, acts as general partner to the onshore Fund. The Advisor and General Partner are both primarily owned and controlled by their two founding principals, Messrs. Mark B. Cohen and Philip R. Sherringham.

Please see Items 4 (Advisory Business), 8 (Methods of Analysis, Investment Strategies and Risk of Loss), 11 (Code of Ethics, Participation in Client Transactions and Personal Trading), and 12 (Brokerage Practices).

Item 11 CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

New Ground Capital LLC and its partners and employees (including its officers and directors) are subject to the Advisor's Code of Ethics. The Code of Ethics is designed to detect and prevent potential conflicts of interest between the Advisor and its clients. Partners and employees of the Advisor are prohibited from trading either personally or on behalf of others in securities while in possession of material non-public information regarding the securities or communicating non-public information to others. Employees are prohibited from accepting gifts of any material value from any person that does business with or on behalf of the Advisor, and are required to obtain advance approval to serve as a director of any publicly traded company.

Under the Advisor's Code of Ethics, partners and employees need to obtain pre-approval from the Advisor's Chief Compliance Officer on personal trades involving financials. All trades will be reviewed in accordance with the quarterly review process. The only trades that are not subject to this review include trades in outside managed accounts where the partners do not have discretion.

In order to comply with the rules of the SEC, all employees of the Advisor must submit quarterly reports of their covered securities transactions or transactions in an account over which they have a beneficial interest. At inception of the Advisor (or upon hiring thereafter), partners and employees must submit a Holdings Report. Completed quarterly holdings reports must be submitted to the designated Chief Compliance Officer of the Advisor. The Advisor requires employees to certify annually that they have complied with the Code of Ethics of the Advisor. The Advisor may make exceptions to the pre-clearance and/or reporting requirements in certain limited circumstances,

including for accounts over which a partner or employee has no direct or indirect influence or control.

A copy of the Code of Ethics is available to any existing or prospective client upon request to the Chief Compliance Officer of New Ground Capital LLC.

Participation in Client Transaction

The Advisor may be deemed to recommend securities in which the Advisor and/or its affiliates have a material financial interest when the Advisor solicits investors to invest in the Fund and Offshore Fund or when the Advisor implements the Private Funds' policy of investing substantially all of their assets in Master Fund.

Item 12 BROKERAGE PRACTICES

General

In selecting brokers to effect portfolio transactions for clients, the Advisor will generally seek best execution after considering such factors as the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility and the provision or payment (or the rebate to the client for payment) of the cost of property or services. The Advisor need not, however, solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

If more than one broker-dealer is believed to be capable of providing the best combination of price and execution with respect to a particular portfolio transaction, the Advisor often selects a broker-dealer which furnishes it research and execution products and services (described below). In addition, if the Advisor determines in good faith that the commission charged by a broker-dealer is reasonable in relation to the value of brokerage and research services provided by that broker-dealer, the Advisor may cause a client account to pay such a broker-dealer an amount of commission greater than the amount another broker-dealer may charge, but generally within a competitive range for full service brokers.

Soft Dollars

Research and execution products and services furnished by broker-dealers may be used in servicing any or all of the clients of the Advisor and may be used in connection with accounts other than those which pay commissions to the broker-dealer providing the products and services. The Advisor intends that any research or execution products or services it obtains with "soft dollars" generally will be eligible types of research and/or brokerage products or services for purposes of the Section 28(e) safe harbor. These research and execution products and services include, but are not limited to, fundamental research reports, current market data and news, technical and portfolio analyses, economic forecasting and currency and interest rate projections, historical information on securities and companies, tuition or attendance fees for research seminars, assistance in arranging company visits, news services, economic, political or other data directly related to industry, research or a specific security.

The Advisor may also defray the costs of certain computer and communication systems that facilitate research or trade execution such as on-line quotation systems and direct data feeds from stock exchanges, computer and telephone equipment and related usage costs, and on-line trading systems

and other software used for research purposes with brokerage commissions generated by client transactions. Certain products or services can be used by the Advisor for both research/execution and non-research purposes. If these products or services are obtained with soft dollars, the Advisor will make a reasonable allocation of the portion of the costs which may be paid for with soft dollars and pay the remaining portion using the Advisor's own hard dollars. The Advisor and its affiliates may derive substantial direct or indirect benefits from the use of soft dollars as they may not otherwise have to produce, develop or acquire such research, products or services. Accordingly, the relationships with brokerage firms that provide soft dollar services may influence the judgment of the Advisor in allocating brokerage business of its clients and create a conflict of interest in using the services of those brokers or dealers to execute the Master Fund's brokerage transactions. Management fees paid by clients will not be reduced as a result of the use of soft dollars.

Capital Introductions Services

From time to time, brokers (including, without limitation, prime brokers) and other counterparties may assist a fund in raising additional funds from investors by introducing a fund to prospective investors, including by permitting the fund to participate in capital introduction services provided by the broker or its affiliates. Subject to best execution, the Advisor may direct brokerage through such brokers or may engage such brokers for the provision of prime brokerage services.

Item 13 REVIEW OF ACCOUNTS

The principals of the Advisor make or approve all portfolio investment decisions on a daily basis. They are responsible for monitoring the portfolio, including hedges, and for taking corrective actions if necessary. The Chief Compliance Officer also monitors the investments on a daily basis for excessive concentrations, unusual increases in risk and similar conditions, and certain valuation information provided by other service providers, but this monitoring is more macro in nature and does not take into account the characteristics of individual securities.

The Master Fund and the Private Funds provide annual financial statements to their respective investors. These funds also provide monthly investor statements and quarterly portfolio manager reports.

Item 14 CLIENT REFERRALS AND OTHER COMPENSATION

Jefferies Inc. (the "Prime Broker") provides certain "prime brokerage" services, such as trade clearing, settlement, margin and custody services to Master Fund and, to a lesser extent, the Private Funds. As part of these prime brokerage arrangements, the Prime Broker may provide certain services, including telecommunications, data and software, to the Advisor and its affiliates in connection with the management of Master Fund.

The Advisor may from time to time continue to enter into, agreements with third parties providing cash compensation to solicitors who secure clients for the Advisor, including investors in the Private Funds. These agreements require that the solicitor meet the disclosure and other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, and comply with the requirement that each client subject to a referral arrangement receive a copy of the referral agreement before or at the time of entering into an agreement with the Advisor or becoming an investor in a Private Fund. The Advisor currently has no such agreements.

In addition, the Advisor may pay cash solicitation fees to affiliates or third-parties to compensate them for soliciting investors to purchase interests in the Private Funds or to become investment advisory clients of the Advisor. The compensation paid to a particular solicitor may vary and is generally based upon a percentage of the fees earned by the Advisor from clients solicited through such third party solicitor. The payment of a cash solicitation fee to a solicitor will not increase the amount of management fees charged to a client.

Item 15 CUSTODY

As noted in Item 13 above, investors in the Private Funds receive the applicable fund's annual financial statements audited by an independent public accounting firm. Investors in the Private Funds are urged to carefully review such statements.

Item 16 INVESTMENT DISCRETION

The Advisor exercises discretion in managing the investments of the fund, based on the fund's particular investment objectives, policies and strategies. The fund's offering documentation generally authorizes the Advisor to trade the fund's assets in a broad range of investments. Pursuant to the funds' governing documents between the Advisor and the fund, each investor designates the Advisor as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to the instruments, agreements, and documents necessary or advisable to carry out the fund's business and affairs. For more information, please see Item 4 (Advisory Business), above.

Item 17 VOTING CLIENT SECURITIES

Proxy Voting Policy

General Policy. The Advisor's proxy voting policies and procedures are intended to support the ability of management of a portfolio company soliciting proxies to run its business in a responsible and cost effective manner while staying focused on maximizing shareholder value. Accordingly, the Advisor generally votes proxies in accordance with management's recommendations. However, all proxy votes are ultimately cast on a case-by-case basis, taking into account the foregoing principles and other relevant facts and circumstances at the time of the vote. For this reason, consistent with the Advisor's fiduciary duty to ensure that proxies are voted in the best interest of the Advisor's clients, the Advisor may from time to time vote proxies against management's recommendations, in accordance with the guidelines set forth in its proxy voting policies and procedures.

Conflicts of Interest. The Advisor reviews each proxy proposal to assess the extent, if any, to which there may be a material conflict between the interests of the Advisor's clients on the one hand and the Advisor's interests (including those of the Advisor's related persons, directors, officers, employees and similar persons) on the other hand (a "potential conflict"). The Advisor performs this assessment on a proposal-by-proposal basis, and a potential conflict with respect to one proposal in a proxy statement does not indicate that a potential conflict exists with respect to any other proposal in such proxy statement.

If the Advisor determines that a potential conflict may exist, the employee promptly reports the matter to the CCO. The CCO, in concert with the partners of the Advisor determines whether a potential conflict exists and is authorized to resolve any such conflict in a manner that is in the collective best interests of the Advisor's clients (excluding any client that may have a potential

conflict). They may resolve a potential conflict in any manner that meets this standard, including, but not limited to, the following:

- If the proposal that is the subject of the proposed conflict is specifically addressed by guidelines in the Advisor's proxy voting policies and procedures and these pre-determined guidelines involve little discretion on the Advisor's part, the Advisor may vote the proxy in accordance with these pre-determined guidelines;
- The Advisor may disclose the potential conflict to the Advisor's clients and obtain the consent of a majority in interest of the Advisor's clients before voting in the manner approved by a majority in interest of the Advisor's clients;
- The Advisor may engage an independent third-party to determine how the proxy should be voted; or
- The Advisor may establish an ethical wall or other informational barriers between the person(s) that are involved in the potential conflict and the person(s) making the voting decision in order to insulate the potential conflict from the decision maker.

The Advisor uses commercially reasonable efforts to determine whether a potential conflict may exist, and a potential conflict will be deemed to exist if and only if one or more of the Advisor's senior investment staff actually knew or reasonably should have known of the potential conflict.

Limitations on the Advisor's Responsibilities.

Limited Value. The Advisor may abstain from voting a client proxy if it concludes that the effect on client's economic interests or the value of the portfolio holding is indeterminable or insignificant.

Unjustifiable Costs. The Advisor may abstain from voting a client proxy for cost reasons (*e.g.*, costs associated with voting proxies of non-U.S. securities). In accordance with the Advisor's fiduciary duties, the Advisor weighs the costs and benefits of voting proxy proposals relating to foreign securities and makes an informed decision as to whether voting a given proxy proposal is prudent. The Advisor's decision takes into account the effect that the vote of the Advisor's clients, either by itself or together with other votes, is expected to have on the value of the clients' investment and whether this expected effect would outweigh the cost of voting.

Changes. The Advisor may change its proxy voting policies and procedures based upon, among other things, its experience, evolving industry practices and developments in applicable laws and regulations. Unless otherwise agreed to with a client, the Advisor's proxy voting policies and procedures may be changed without notice to, or approval by, any client.

Delegation. The Advisor may delegate proxy voting tasks to a third party, provided that the Advisor retains final authority and fiduciary responsibility for proxy voting.

Disclosure. The above description is merely a summary of the Advisor's proxy voting policies and procedures. A client whose proxies may be voted by the Advisor may request and obtain information from the Advisor about how the Advisor has voted that client's proxies or a client may obtain a copy of Advisor's proxy voting policies and procedures upon request to the Chief Compliance Officer, New Ground Capital LLC, 690 South Highway 89, Suite 200, Jackson, Wyoming 83001.

Item 18 FINANCIAL INFORMATION

Not applicable.