

Firm Brochure
(Part 2A of Form ADV)

Concourse Capital Management, LLC

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This brochure provides you with information about the qualifications, business practices, and nature of advisory services of Concourse Capital Management, LLC, all of which should be considered before becoming an advisory client of our firm. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("**SEC**") or by any state securities authority.

We are an investment adviser registered with the SEC. Registration does not imply a certain level of skill or training. Additional information about our firm is available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 160182.

March 28, 2014

Item 2 Material Changes

There have been no material changes since the last update of our Brochure which was July 1st, 2013.

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (770) 350-8700 or by email at: lnewberg@perimetercap.com.

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Item 4 **Advisory Business**

FIRM DESCRIPTION

Concourse Capital Management, LLC ("**CCM**") is an investment management firm that has been registered with the U.S. Securities and Exchange Commission ("**SEC**") as an investment adviser since July 2013. It was organized as a Delaware limited liability company in 2008. CCM is owned by Mathias Capital Management, LLC ("**MCM**") and Perimeter Alternative Strategies, LLC ("**PAS**"). Joseph L. Mathias, IV is the controlling principal of MCM and serves as CCM's President and Chief Investment Officer. PAS is a Delaware limited liability company majority owned and controlled by Perimeter Capital Partners, LLC, an investment adviser registered with the SEC.

TYPES OF ADVISORY SERVICES

1. Adviser to Pooled Investment Vehicles (the Funds)

CCM's current advisory activities consist of providing investment supervisory services to a number of pooled investment vehicles (the "**Funds**") as follows:

Concourse Capital Partners, LP and Concourse Capital Partners II, LP

CCM serves as the discretionary investment manager of Concourse Capital Partners, L.P. ("**Onshore Fund**") and Concourse Capital Partners II, LP ("**Onshore Fund II**" and, collectively, the "**Onshore Funds**"), both Delaware limited partnerships operating as private investment funds. CCM also acts as General Partner to the Onshore Funds, and as General Partner is solely responsible for the management of the Onshore Funds. The Onshore Funds' investment objective is to pursue a long-short equity strategy seeking to produce superior absolute returns through investing the portfolio in fundamentally selected securities on both the long and short side.

Investors in the Onshore Funds are limited partners ("**Limited Partners**"). Limited Partners must generally be "**accredited investors**" as defined in Regulation D under the Securities Act of 1933 to invest in either Onshore Fund. In addition, investors in the Onshore Fund must generally be "**qualified clients**" as defined in Rule 205-3 under the Investment Advisers Act. The Onshore Fund has operated since January 2009. As of the date of this Firm Brochure, Onshore Fund II had not commenced operation or accepted investors. However, in addition to being accredited investors, its Limited Partners will also be "**qualified purchasers**" as defined under Section 2(a)(51)(A) of the Investment Company Act..

Concourse Capital Partners Offshore Master Fund, L.P. ("Master Fund") and Concourse Capital Partners Offshore Fund, Ltd. ("Offshore Fund")

Concourse Capital Partners Offshore Fund, Ltd. is a private investment fund organized in the Cayman Islands. The Fund operates as a "feeder" fund by investing substantially all of its assets in limited partnership interests ("**Master Fund Interests**") of Concourse Capital Partners Offshore Master Fund, L.P. (the "**Master Fund**" and, together with the Offshore Fund, the "**Offshore Funds**"). The Master Fund has invested substantially in parallel with the Onshore Fund, also pursuing a long-short equity strategy seeking to produce superior absolute returns through investing the portfolio in fundamentally selected securities on both the long and short side.

CCM provides investment supervisory services and serves as investment manager and general partner to both Onshore Funds and the Master Fund. In those capacities, CCM has full responsibility for the day-to-day management of Fund investments. CCM also owns all of the 100 authorized non-participating voting shares of the Offshore Fund (the "**Management Shares**"). These Funds are all private investment companies that offer securities pursuant to registration exemptions pursuant to

Section 4(a)(2) of the Securities Act of 1933 and the “safe harbor” provisions of Regulation D and Rule 506 thereof. Investors in the Offshore Fund are shareholders (“**Shareholders**”).

This document is neither an offer to sell nor a solicitation of an offer to buy interests in or shares of the Funds. Such an investment may be made only after receipt and review of a Fund’s confidential private placement memorandum (a “Memorandum”). Upon request to CCM, a copy of a Memorandum is available to persons meeting the definitions of both accredited investor and qualified client or qualified purchaser. The Memoranda contain important information concerning risk factors and other material aspects of the Funds and must be read carefully before any decision whether to invest is made. The information in this document is qualified in its entirety by, and should be read in conjunction with, the information contained in the Memoranda.

2. Sub-Advisory Services to Prelude Opportunity Fund, L.P.

CCM serves as the sub-adviser to the Prelude Opportunity Fund, LP, (“**Prelude Opportunity Fund**”) an unaffiliated pooled investment vehicle whose primary investment advisor is Springbok Capital Management, LLC (“**Springbok**”), an investment adviser registered with the Securities and Exchange Commission. As sub-adviser to Prelude Opportunity Fund, CCM provides investment advisory services to the fund based on the investment objectives, policies and restrictions contained in the fund’s Private Placement Memorandum. Springbok will allocate to CCM a portion of the fund’s assets to invest. As sub-adviser, CCM will invest in the securities based upon its belief that the securities have strong appreciation potential or potential to decline in value. As sub-adviser to the fund, CCM is subject to the oversight of Springbok. However, Springbok will not attempt to coordinate or manage the day-to-day investment of its sub-advisor.

3. Model portfolios to investment programs.

CCM provides a model portfolio to an unaffiliated SEC-registered investment adviser with fees determined based on assets under management and net realized and unrealized gains and losses. CCM considers these assets to be non-discretionary assets under management. CCM’s investment adviser client has final investment discretion for its underlying managed accounts subject to any reasonable investment restrictions imposed by their clients.

TAILORED RELATIONSHIPS

1. The Funds

CCM provides investment advisory services to the Funds based on the investment objectives of the Funds. **CCM does not provide tailored investment advice to the Limited Partners or to the Shareholders in the Funds.**

2. Sub-Advisory Services

CCM provides investment advisory services to the sub-advised account based on the investment objectives, policies and restrictions contained in the fund’s Private Placement Memorandum.

WRAP FEE PROGRAMS

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the Clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a “bundled” form. In exchange for these “bundled” services, the Clients pay an all-inclusive (or “wrap”) fee determined as a percentage of the assets held in the wrap account. CCM does not participate in and is not a sponsor of any wrap fee program.

ASSETS UNDER MANAGEMENT

When calculating regulatory assets under management, an Investment Adviser must include the value of any private fund over which it exercises continuous and regular supervisory or management services. CCM manages a total of \$220,649,469 in client assets on a discretionary basis and \$1,138,691 in client assets on behalf of one non-discretionary account. This Asset under Management figure is based on calculations as of December 31, 2014.

Item 5 Fees and Compensation

ADVISORY FEES AND BILLING PROCEDURES

1. Pooled Investment Vehicles

Concourse Capital Partners, LP ("Onshore Fund") and Concourse Capital Partners II, LP ("Onshore Fund II"), collectively the "Onshore Funds"

The Onshore Funds will generally pay to the General Partner and its designees in advance each calendar quarter a management fee (the "Management Fee") in an amount equal to 0.375% of the aggregate Capital Account balances of the Limited Partners at the beginning of each calendar quarter. Management Fees are payable in advance and are calculated as of the first day of each calendar quarter after giving effect to all capital contributions and withdrawals for that quarter. Any capital contributions during a calendar quarter will be assessed the Management Fee pro rata only with respect to that portion of the calendar quarter after the contribution date. Management Fees are not refundable to the extent of a permitted withdrawal during a quarter.

CCM and its designees will receive as of the end of each calendar year an incentive allocation ("Incentive Allocation") of 20% of the net profits (including net unrealized profits) generated in the account of each Limited Partner during the calendar year, subject to a "high water mark." The high water mark assures that an Incentive Allocation is taken only with respect to new profits and not recovered profits after a loss. If a Limited Partner makes a withdrawal from his Capital Account prior to the end of a calendar year, an Incentive Allocation will be made at such time with respect to the withdrawn amount.

Concourse Capital Partners Offshore Master Fund, L.P. ("Master Fund") and Concourse Capital Partners Offshore Fund, Ltd. ("Offshore Fund")

Shareholders bear their proportionate share of a quarterly cash fee (the "Management Fee") paid by the Master Fund to CCM in an amount generally equal to 0.375% of the net asset value of each class and series of Master Fund Interest held by the Fund. The Management Fee is calculated and paid at the beginning of each calendar quarter after giving effect to all Share issuances and capital contributions for that quarter and a proportionate part of the Management Fee will be charged with respect to Shares issued during a calendar quarter. Except as otherwise agreed, no Management Fee will be payable at the Fund level. CCM may in its discretion reduce or waive all or part of the Management Fee for particular Shareholders by rebate or otherwise.

The Master Fund will generally make an incentive profit reallocation ("Incentive Allocation") to CCM with respect to the Master Fund Interest held by the Fund that corresponds to the Shares held by each Shareholder. Incentive Allocations will be made by reallocating 20% of the net capital appreciation (including both realized and unrealized gains) from the Fund's Master Fund Capital Accounts to the Capital Account of the Investment Manager. Incentive Allocations will be made as of the end of each calendar year or during the calendar year when amounts are withdrawn in response to a Share

redemption. Each class and series of Master Fund Interest is also subject to a "high water mark" that assures that an Incentive Allocation is taken only with respect to new profits and not profits recovered after a loss. CCM may in its discretion reduce or waive all or part of the Incentive Allocation for particular Shareholders by rebate or otherwise.

2. Sub-Advisory Account

As noted above in Item 4, CCM also provides investment sub-advisory services to the Prelude Opportunity Fund, LP ("Prelude Opportunity Fund"), an unaffiliated pooled investment vehicle. The sub-advisory fees that we receive for providing these services are negotiated between us and the principal advisor for the Prelude Opportunity Fund.

OTHER FEES AND EXPENSES

The Funds shall pay for all ordinary, operating and other expenses, including, but not limited to, investment-related expenses (such as brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses and investment banking expenses); legal expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings and all costs and expenses related to or incurred in connection with CCM's compliance obligations under applicable federal and/or state securities and investment adviser laws arising out of its relationship to the Funds, as well as extraordinary legal expenses); accounting fees and audit expenses; administrative fees; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); other governmental charges or fees payable by the Funds; director and officer and/or errors and omissions liability insurance premiums or fiduciary liability insurance premiums for directors, officers and personnel of CCM; costs of printing and mailing reports and notices; and other similar expenses related to the Funds, as CCM determines in its sole discretion. To the extent that expenses are borne by a Fund are paid by CCM, the Funds will reimburse CCM for such expenses. Other fees are generally deducted from the capital account of each Limited Partner.

REFUND POLICY

In the event of termination of a Limited Partner's or Shareholder's interest in the Fund, no portion of the Management Fee will be refunded in connection with any withdrawals from a Limited Partner's Capital Account during a month, and Performance Fee fees will be assessed in accordance with the Fund's Limited Fund Agreement.

OTHER COMPENSATION

CCM does not accept any compensation other than Management Fees and the Performance Allocation Fees as heretofore described.

Item 6 Performance-Based Fees and Side By Side Management

Performance-Based fees are based on a share of the capital gains or capital appreciation of the assets of a client. Fees based on performance means that CCM participates directly in the account's results.

As stated in item 5 above, CCM receives Performance-Based Fees from the Funds as an "Incentive Allocation." The Incentive Allocations made to the Manager Affiliates and their designees may create an incentive to make Fund investments that are riskier or more speculative than would be the case in the absence of such performance-based profit allocation arrangements in order to generate net profits subject to the Incentive Allocations.

“Side-by-Side Management” refers to a situation in which the same Adviser manages accounts that are billed based only on a percentage of assets under management (“Management Fee”) and at the same time manages other accounts for which fees are assessed on a performance fee basis (“Performance Fee”). CCM does not conduct side-by-side management of dissimilar advisory accounts.

Item 7 Types of Clients

CCM has no clients other than the Funds and, at this time, does not offer any services to any other person.

The minimum initial capital contribution for the Onshore Fund is \$1,000,000.00. The minimum initial contribution for the Master and Offshore Funds is \$1,000,000.00. CCM reserves the right to reduce the minimum initial capital contribution and to accept subscriptions for lesser amounts.

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

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

1. The Funds

Notwithstanding that the Funds have the authority to take advantage of other investment styles and strategies, CCM currently expects to invest the Funds’ assets principally long and short in the equity securities of U.S. and non-U.S. issuers. CCM’s investment philosophy is based on the following:

- Applying a private equity-like approach to investing in publicly traded securities. The team looks to invest in companies rather than trade securities frequently.
- Capitalizing on global themes.
- Using fundamental company research to drive investments.
- Putting a high level of focus on risk management.

Concourse Capital Partners, LP (“Onshore Fund”) and Concourse Capital Partners II, LP (“Onshore Fund II”), collectively the “Onshore Funds”

The Onshore Funds pursues a long-short equity strategy seeking to produce superior absolute returns through investing the portfolio in fundamentally selected securities on both the long and short side. CCM utilizes a thematic top down global macro approach coupled with intensive fundamental research and analysis at the security level. CCM's investment team looks to maintain a relatively concentrated portfolio with a strong emphasis on risk management. CCM implements a long term investment outlook and strives to generate profits on the long and short side of the portfolio. Any current income will be incidental to the Onshore Funds’ primary investment approach.

Concourse Capital Partners Offshore Master Fund, L.P. (“Master Fund”) and Concourse Capital Partners Offshore Fund, Ltd. (“Offshore Fund”)

The Funds, directly as regards the Master Fund and indirectly for the Fund as an investor in the Master Fund, will pursue a long-short equity strategy seeking to produce superior absolute returns through investing the portfolio in fundamentally selected securities on both the long and short side. CCM utilizes a thematic top down global macro approach coupled with intensive fundamental research and analysis at the security level. CCM's investment team looks to maintain a relatively concentrated portfolio with a strong emphasis on risk management. CCM implements a long term

investment outlook and strives to generate profits on the long and short side of the portfolio. Any current income will be incidental to the Fund's primary investment approach.

2. Sub-Advised Account

CCM provides investment sub-advisory services to unaffiliated pooled investment vehicles. Additional information regarding the investment objectives, investment strategies, risks, and other terms of these sub-advised Funds is available from the principal investment advisor.

MATERIAL RISKS OF ANALYSIS AND INVESTMENT STRATEGIES

Alternative investment products often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. Because risks are inherent in all the investments in which the Fund engages, no assurances can be given that the Funds' investment objectives will be realized.

There can be no assurance that the Funds will achieve its investment objective or avoid substantial losses. An investor could lose all or a substantial amount of his or her investment. Notwithstanding the method of analysis or investment strategy employed by the Firm, the assets within the Funds are subject to risk of devaluation or loss. An investor should not make an investment in the Fund with the expectation of sheltering income or receiving cash distributions.

CCM believes that substantial returns can be achieved by investing in the Funds; however, such investment involves a high degree of risk. Because risks are inherent in all the investments in which the Funds engage, no assurances can be given that the Funds' investment objectives will be realized. CCM urges investors to review carefully the risk factors set forth in the Funds' Memorandum. The Funds' Memorandum contains important information concerning risk factors and other material aspects of the Funds and must be read carefully before any decision whether to invest is made. The risk factors set forth in the Funds' Memorandum are those deemed by CCM to be the most significant.

In addition to all of the risk factors listed in the PPM in great detail, an investor also should carefully consider the following risks prior to making an investment in the Fund:

- *General Investment Risks.* The Funds' success depends upon CCM's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely trades may also be detrimental to the Funds' profitability.
- *Investment and Trading Risks.* All investments involve the risk of loss of capital. CCM believe that the Funds' investment program and its research and risk-management techniques moderate this risk through the careful selection of securities and other financial instruments. The Funds' investment program will utilize such investment techniques as option transactions, limited diversification, margin transactions, short sales and futures and forward contracts, which practices can, in certain circumstances, maximize the adverse impact to which the Funds may be subject.
- *Dependence on Key Personnel.* Often, hedge fund managers have total trading authority over their funds. The success of the Funds depends in substantial part upon the skill and expertise of the principal who will be responsible for managing the Funds.
- *General Economic Conditions.* The success of the Funds' activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of U.S. equity prices and liquidity of the Funds' investments.
- *Potential Concentration.* The Funds' investments may be concentrated in the securities of relatively few issuers or issuers engaged in one or a few industries if the Manager Affiliates believe

that market conditions warrant such concentration. During periods when the Funds have concentrated its investments in a smaller number of issuers or industries, its risk of loss will be higher than would be the case with a diversified portfolio due to the possibility that the Funds' particular investments will experience losses greater than the market as a whole.

- *Use of Leverage.* The Funds may leverage investment positions by borrowing funds from securities broker-dealers, banks or others. Such leverage increases both the possibilities for profit and the risk of loss. Borrowings will typically be secured by Fund securities and other assets. Under certain circumstances, such a lender may demand an increase in the collateral that secures the obligations and if the Funds were unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy the obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of Fund borrowings and the interest rates paid on those borrowings, which will fluctuate, may have an adverse effect on the Fund profitability.
- *Execution of Orders.* The Funds' trading strategies depend on the ability to establish and maintain an overall market position in a combination of financial instruments selected by CCM. The Funds' trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to employees, brokers, agents or other service providers.
- *Counterparty Risk.* Hedge funds tend to deal with broker/dealers. As such, there is always a risk that a particular broker/dealer that the Fund will use may fail or simply cut off the hedge fund.

While this information provides a synopsis of the events that may affect your investments in the Funds, this listing is not exhaustive. Please read the Risk Disclosures section in the Funds' Memorandum carefully. We want you to understand that there are inherent risks associated with investing in the Funds; YOU COULD LOSE ALL OR A SUBSTANTIAL AMOUNT OF YOUR INVESTMENT.

The Funds' success depends on CCM's strategies and the ability to implement its investment strategies. Any factor that would make it more difficult to execute more timely trades, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Fund will be successful under all or any market conditions.

An investment in the Funds should form only a part of a complete investment program, and an investor must be able to bear the loss of his or her entire investment. There can be no assurance that the Funds will achieve its investment objectives or avoid substantial losses. Prospective investors are urged to consult with their own financial, tax and legal advisors before investing in the Funds.

RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES

CCM specializes in recommendations related to the Funds which are designed for investors who have the knowledge and experience in financial matters to evaluate the merits and risks of such investments. Fund investments may include, but are not limited to, equity securities, debt and other income securities, high-yield securities, exchange traded funds, derivative instruments including options transactions, and emerging markets securities.

Item 9 Disciplinary Information

The Firm is required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Neither CCM, its management nor related persons has been involved in legal nor disciplinary events related to past or present investment clients.

Item 10 Other Financial Industry Activities and Affiliations

CCM is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of CCM's management or supervised persons is registered as representatives of, or has an application pending to register as representatives of a broker-dealer.

CCM is not registered as, and does not have pending applications to register as, a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor. Furthermore, none of CCM's management or supervised persons is registered as, or has an applications pending to register as, associated persons of the foregoing entities.

As noted above, CCM also serves as the general partner to the Funds in addition to serving as each Fund's investment adviser. As general partner to the Funds, CCM is responsible for the management of the Funds.

CCM is related to Perimeter Capital Partners, LLC ("Perimeter Capital Partners") and Liquid Strategies, LLC. Perimeter Capital Partners and Liquid Strategies are registered as investment advisors with the U.S. Securities Exchange Commission.

CCM serves as the subadvisor to unaffiliated registered investment advisors for a pooled investment vehicle.

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

DESCRIPTION OF CODE OF ETHICS

All employees of CCM must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, CCM has adopted a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by CCM personnel. CCM's Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

CCM recommends to its investment advisory clients or prospective investment advisory clients who are qualified clients as defined by SEC 275.205-3, the purchase or sale of the interests in the Funds. CCM earns both a management fee and a performance-based incentive fee from the Funds and management fees from managed account services. CCM will provide written notification to clients advising of such conflicts of interest.

PROPRIETARY /SIMULTANEOUS TRADING

At times, CCM and/or its supervised persons may buy or sell securities for their own accounts that we have also recommended to our client, which are the Funds. This presents a conflict of interest. In any instance where similar securities are being bought or sold, we will uphold our fiduciary duty by

always transacting on behalf of our client before transacting for our own benefit. It is the policy of CCM that supervised persons must avoid security transactions and activities for their own accounts that might conflict with or be detrimental to the interest of the client. To the extent supervised persons are aware of trades in individual issues being considered, recommended, or traded for the client account, the supervised persons will make every effort to trade in their own accounts after trades are executed for the client. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, we will monitor our proprietary and personal trading reports for adherence to our Code of Ethics which includes procedures for pre-clearing transactions and the use of blackout windows. CCM will always document any transactions that present conflicts of interest. In any instance where similar securities are being bought or sold, we will uphold our fiduciary duty by always transacting on behalf of our client before transacting for our own benefit.

Item 12 Brokerage Practices

SELECTION AND RECOMMENDATION

CCM will have complete discretion regarding the selection of brokers for the Funds and the amount of brokerage commissions and fees paid to such brokers, and this determination will be based upon four factors: (1) where the best execution (price) is likely to be obtained; (2) a brokerage firm's research and investment ideas that directly impact the Fund's portfolio; (3) a firm's ability to properly execute any orders (based on the size of the trade and its complexity to execute); and (4) the operational aspects of brokerage firms' back office (will the Funds receive payment of securities on a timely basis) and custodian or other administrative services. "Best execution" is not synonymous with lowest brokerage commission. Consequently, CCM may pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction for other investment funds similar to the Funds. However, CCM has determined that the research, execution and other services rendered by a particular broker merit greater than typical fees.

SOFT DOLLARS

CCM may generate "soft dollars" with respect to the Funds' trades; if it does so, CCM intends to comply with the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under "soft dollar" arrangements, the brokerage firms would provide or pay the costs of certain services, equipment or other items for the benefit of the Funds, CCM, or one or more of their affiliates in consideration of the allocation to the firm of brokerage transactions (with resulting commission income) made on behalf of the Funds on both an agency and net basis. Services that may be furnished or paid for by brokers or dealers may include, without limitation (in addition to the research products and services described below) special execution capabilities, clearance, settlement, net pricing, online pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, performance measurement data, consultations, financial strength and stability, efficiency of execution, availability of stocks to borrow for short sales, custody, recordkeeping and similar services. Although these soft dollar arrangements may benefit the Funds and CCM by reducing their respective expenses, the amount of the Management Fees payable to CCM will not be reduced.

Because such services could be considered to benefit CCM and its affiliates, and the "soft dollars" used to acquire them are the assets of the Funds, CCM could be considered to have a conflict of interest in allocating brokerage business on behalf of the Funds. Nonetheless, CCM believes that to the extent it makes allocations to brokerage business with soft dollar arrangements, this would generally enhance the ability to obtain research, optimal execution and other benefits on behalf of the Funds. The Funds

will not necessarily benefit from all such soft dollar services. CCM may also derive substantial benefits from these services, particularly to the extent that CCM uses soft dollars to pay for expenses it would otherwise be required to pay itself. Furthermore, because the extent of the products and services provided by these brokers will be based largely on the volume of commissions generated by the Funds' trading activities, these soft dollar arrangements may create an incentive for CCM to increase the volume of the Fund's trading activities.

BROKERAGE FOR CLIENT REFERRALS

CCM does not receive client referrals from third parties for recommending the use of specific broker-dealer's services.

DIRECTED BROKERAGE

CCM investment advisory services involve managing pooled investment vehicles, heretofore described as, the Funds. When a client directs brokerage, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Due to the structure of pooled investment vehicles, directed brokerage arrangements by clients are not applicable to nor affect the investment management policies of CCM.

ORDER AGGREGATION

At this time, CCM only manages pooled investment vehicles (the "Funds") and does not aggregate orders. CCM may, in the future, have additional clients. At that time, CCM will review its order aggregation policy for the purpose of obtaining best pricing averages and minimizing trading costs.

Item 13 Review of Accounts

CCM reviews the Funds' investment program, including current holdings, on a continual basis. The Firm reviews the Funds' investment program to analyze rates of return, allocation of assets and to verify that the Funds' portfolio is consistent with its investment objective. Such reviews are conducted by Joseph L. Mathias, IV, the Chief Investment Officer. Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in the Funds' objectives.

The Funds' books of account will be audited at the end of each fiscal year by a firm of certified public accountants selected by CCM. Books of account will generally be kept by the Funds, in accordance with GAAP. Audited financial statements are provided to Limited Partners and Shareholders annually. In addition, all Limited Partners and Shareholders will receive the information necessary to prepare federal and state income tax returns following the conclusion of such fiscal year as soon thereafter as is reasonably practical.

Item 14 Client Referrals and Other Compensation

The Firm does not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its clients.

CCM anticipates that selling commissions and/or referral fees may be paid in connection with the offering of the Funds' Interests. A portion of the Management Fee may be remitted to unaffiliated third parties introducing Limited Partners to the Funds, or CCM may use its own resources to compensate third parties for such introductions.

Item 15 Custody

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

CCM has custody of Funds' portfolio assets because it has the ability to deduct advisory fees payable to it and it has a general power of attorney over the Fund's account. Additionally, as General Partner of the Funds, CCM has custody of Funds' portfolio assets (funds and securities).

CCM does not have physical custody of any client funds or securities. CCM has custody of Funds' portfolio assets because it has the ability to deduct advisory fees payable to it and it has a general power of attorney over the Funds' account. Additionally, as General Partner of the Funds, CCM has custody of Funds' portfolio assets (funds and securities).

The physical assets of each Fund, however, are held at each Funds' qualified custodian.

The administrator for the Funds will deliver transaction reports to CCM. Please be advised that CCM is not required to provide information about specific investment transactions of the Funds to the Limited Partners or Shareholders. Nonetheless, on a quarterly basis, CCM will provide Limited Partners and Shareholders with quarterly information letters which set forth the Net Asset Value of the investor's shares/interests. Additionally, the Funds are subject to an annual audit by an accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB"). The audited financial statements are distributed to Limited Partners within 120 days of the end of the Funds' fiscal year.

Item 16 Investment Discretion

CCM is not limited in its authority to purchase securities for the Funds. CCM has full discretion and authority to make all investment decisions with respect to the types of securities to be bought or sold or the amount of securities to be bought or sold for the Funds.

Item 17 Voting Client Securities

Fiduciary obligations of prudence and loyalty require an investment adviser with proxy voting responsibility to vote proxies on issues that affect the value of the client's investment. Proxy voting decisions must be made solely in the best interests of the client's account. In voting proxies, our Firm is required to consider those factors that may affect the value of the client's investment and may not subordinate the interests of the client to unrelated objectives.

CCM will exercise all rights, powers and privileges of ownership in all Fund property, including the right to vote, give assent, execute, and deliver proxies, and the Funds' proxy voting policies override the undersigned's proxy voting policies. Fund investors are required to adopt the voting policies of the Funds for purposes of their investments in the Funds. CCM has adopted proxy voting policies and procedures for voting proxies on behalf of the Funds. Clients may obtain a copy of our proxy voting policy upon request. Clients may also request a copy of historical voting.

Should a material conflict arise between our Firm's interest and that of our clients, our Firm will vote the proxies in accordance with our fiduciary duty to our clients. A written record will be maintained

describing the conflict of interest, and an explanation of how the vote taken was in the client's best interest. CCM may refrain from voting a proxy if the cost of voting the proxy exceeds the expected benefit to the client.

Item 18 Financial Information

BALANCE SHEET REQUIREMENT

A balance sheet is not required to be provided because CCM does not serve as qualified custodian for client's funds or securities, and does not require prepayment of fees of more than \$1,200 per client, six (6) months or more in advance.

FINANCIAL CONDITION

CCM does not have any financial impairment that will preclude it from meeting contractual commitments to clients.

BANKRUPTCY PETITION FILINGS

The Firm has not been the subject of a bankruptcy petition at any time during the last 10 years.

PRIVACY POLICY

CCM considers customer privacy to be a fundamental aspect of its relationship with its clients. CCM is committed to maintaining the confidentiality, integrity, and security of its current, prospective and former clients' personal information. CCM does not disclose nonpublic personal information about its clients or former clients to any persons other than as described below. CCM collects information about its clients (such as name, address, social security number, assets and income) from discussions with clients, from documents that clients may deliver to CCM (such as account applications) and in the course of providing services. In order to service its client accounts and effect client transactions, CCM may provide client personal information to its affiliates and to firms that assist it in servicing client accounts and which have a need for such information. CCM does not otherwise provide information about its clients to outside firms, organizations or individuals except as required by law. Any party that receives this information will use it only for the services and as allowed by applicable law or regulations, and is not permitted to share or use this information for any other purpose.