
Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of 1207 Capital Group, LLC. If you have any questions about the contents of this brochure, please contact us at (847) 272-1207. 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.

1207 Capital Group, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about 1207 Capital Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This is the second annual update to the brochure of 1207 Capital Group, LLC. The initial brochure was dated May 1, 2012 and filed with the SEC in June 2012 and the initial annual update to the brochure was dated March 15, 2013. This section discusses only those material changes that have been made to the brochure between March 15, 2013 and the date of the current brochure, March 11, 2014. The discussion of Jernigan-Kinsella, LLC under Item 11 has been deleted, because Jernigan-Kinsella, LLC is now defunct. Ronald Jones is no longer identified as an investment committee consultant under Item 4.

We intend to provide investors with a summary of these changes. Pursuant to SEC Rules, we will undertake to provide you with a summary of any material changes to this and subsequent brochures within 120 days of the close of our business's fiscal year. We will further provide you with a revised brochure as appropriate based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting us at (847) 272-1207. Our brochure is also available on our web site www.cimarrongrp.com free of charge.

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Item 4 – Advisory Business

1207 Capital Group, LLC, an Illinois limited liability company, is the Manager of and General Partner to Cimarron Partners, LP, Cimarron Vista, LP, and Cimarron Healthcare Opportunities, LP. Cimarron Partners, LP, Cimarron Vista, LP, and Cimarron Healthcare Opportunities, LP are sometimes referred to together as the Private Funds, and collectively with the Manager are sometimes referred to as Cimarron. All allocation, direct investment and day-to-day operating decisions for the Private Funds are made by the Manager, which is controlled by R. Mark Jernigan and owned personally or through affiliates by R. Mark Jernigan and R. Clayton Jernigan. The firm's growth and success is the result of an investment philosophy informed by our principal's substantial financial sector experience, a commitment to comprehensive due diligence, and a considered investment process. The firm does not currently manage separate accounts or non-U.S. funds.

Cimarron Partners, LP is a hedge fund of funds established on January 1, 2002. Cimarron Vista, LP is a hedge fund of funds established on October 1, 2006. Cimarron Healthcare Opportunities, LP is a hedge fund of funds established on March 1, 2013.

Cimarron Partners, LP is a diverse-strategy, multiple-manager partnership with a preference for relative value funds. It attempts to mitigate losses in difficult markets and to achieve equity-like returns over the market cycle, but with lower volatility than the broad equity markets experience. Cimarron Partners invests in multi-sector long/short funds, specialized equity long/short funds concentrating in healthcare, media-telecom, and technology, global macro funds and various other strategies including convertible bond arbitrage, capital structure arbitrage, fixed income arbitrage, event-driven, and distressed debt. Other strategies have been included in the portfolio in the past, and additional strategies not listed here may be included in the future.

Cimarron Vista, LP is primarily an equity long/short, multiple-manager partnership with a focus on providing returns in excess of the equity markets with lower volatility. Cimarron Vista invests in multi-sector long/short funds, specialized equity long/short sector funds in healthcare, media-telecom, and technology, global macro funds and other strategies, opportunistically.

Cimarron Healthcare Opportunities, LP is an equity long/short single-manager partnership with a focus on providing returns in excess of equity markets. Cimarron Healthcare Opportunities invests in a single specialized equity long/short sector fund in healthcare and life sciences.

1207 Capital Group's investment professionals include an Investment Committee composed of four investment professionals. R. Mark Jernigan, founder of the firm, is the Chair of the Investment Committee. R. Clayton Jernigan, Ronald Schutz and

William Swee are Investment Committee members. Wilson Williams is an Investment Committee consultant.

Given the nature of investing in a private fund, an investor may not impose investment restrictions. Terms of the Cimarron partnerships are outlined in the Limited Partnership Agreement provided to all prospective investors.

As of February 1, 2014, Cimarron managed on a discretionary basis approximately \$114,300,000. Cimarron does not currently manage any non-discretionary assets.

Item 5 – Fees and Compensation

The fees and expenses for each Private Fund are described in detail in the associated Private Offering Memorandum. In general, each Private Fund pays the Manager an advisory fee and an incentive allocation based on fund performance. Different investors in the Private Funds may pay different fees. The advisory fee for Cimarron Partners, LP and Cimarron Vista, LP (also known as the management or administrative fee) is generally 1% per annum. Management Fees for Cimarron Partners, LP and Cimarron Vista, LP are payable in advance on the first day of each month and are based on the capital account balances of the partners as of the beginning of each such month. The advisory fee for Cimarron Healthcare Opportunities, LP (also known as the management or administrative fee) is generally 0.75% per annum. Management Fees for Cimarron Healthcare Opportunities, LP are payable in arrears on the last day of each month and are based on the capital account balances of the partners as of the end of such month.

If earned due to performance of Cimarron Partners and Cimarron Vista, performance based fees or incentive allocations charged to most partners of 10% of net new profits are assessed annually and at the time of redemption. If earned due to performance of Cimarron Healthcare Opportunities, performance based fees or allocations charged to most partners of 7.5% of net new profits. For purposes of computing the Management Fee, Net Assets will be determined before any accrued but unpaid Incentive Allocation. Incentive allocations are subject to high water mark provisions described in detail in the Private Offering Memorandum for each fund.

In addition to these fees, the partners' capital accounts are subject to various expenses including but not limited to: audit, legal and administrative accounting. The Manager has made, and may make in the future, exceptions to its general fee schedule in its sole discretion based on various circumstances. All fees are deducted from a partner's share of the Partnership by the fund administrator.

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

Performance-Based Fees

As described in Item 5, 1207 Capital Group, LLC receives a performance allocation from each of the Private Funds. As a result, 1207 Capital Group and its affiliates do

not face the conflicts of interest that may arise when an investment adviser accepts performance-based compensation from some clients, but not from other clients. Performance based fee arrangements may create an incentive for the Manager to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement such as advisory fee only.

Side-By-Side Management

Investors in the Private Funds are subject to significant potential and actual conflicts of interest with respect to side-by-side management. Side-by-side management is the simultaneous management of multiple accounts that follow the same or similar investment strategies. For the Private Funds, the conflicts with respect to side-by-side management present themselves both at the Investor level and at the fund level.

Cimarron's Investment Committee makes the investment decisions for the Private Funds. In managing multiple funds, Cimarron may determine that an investment opportunity is appropriate for one fund, but not for the other fund. To the extent that certain investors invest in a limited investment opportunity, such as where an underlying hedge fund manager has limited capacity or is closing to new or additional investments, the ability of other current or future investors to invest in that same investment opportunity may be adversely affected. In allocating such limited investment opportunities, not all investors may participate in an opportunity. In addition, the participation of any current investors may be diluted.

Item 7 – Types of Investors

In order to invest in any of the Private Funds, investors must have a certain level of financial sophistication and investment experience. The Private Funds provide portfolio management services to high net worth individuals, insurance companies, endowments, trusts, family offices and corporate pension and profit-sharing plans. The funds are also open to charitable institutions, foundations, municipalities and other U.S. institutions.

In general, and at the discretion of the General Partner, the minimum investment from a new limited partner in Cimarron Partners, LP or Cimarron Vista, LP is \$500,000. In general, and at the discretion of the General Partner, the minimum investment from a new limited partner in Cimarron Healthcare Opportunities, LP is \$200,000. New subscriptions are accepted monthly. After a one-year investment in a given fund, quarterly redemptions are allowed given a 95-day notice period. For an investment in Cimarron Healthcare Opportunities, LP, quarterly redemptions are allowed within the first year following the investment, given a 95-day notice period and subject to a 3% penalty on the amount withdrawn.

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

Hedge Fund Managers that hold both long and short positions in their portfolios are expected to help the Private Funds avoid the higher level of volatility associated with a long only strategy.

Capital market history shows that no particular investment strategy, and few investment managers, can provide consistent and/or above-average total return results, either on an absolute or relative basis, over all phases of a cycle in the equity, fixed income and “non-traditional” markets. While a particular investment strategy or investment manager may not achieve above-average performance over any given period within a cycle, the blending of investment strategies and investment managers (i.e., diversification) is designed to obtain more consistent returns with a reduction of risk and volatility.

In general, the Manager attempts to seek out, evaluate and select independent investment managers who have demonstrated superior investment success or who show potential for doing so, in the manager’s determination. The manager analyzes and evaluates the strategies employed by such managers in an attempt to ensure appropriate diversification. By diversifying among a number of managers, the Manager believes the Private Funds can more effectively manage their risk exposure relating to individual managers or markets.

After initial allocations are made to particular managers and strategies, the Manager monitors and may periodically adjust the Private Funds’ allocations to managers and strategies. Although the Manager reserves the right to allocate assets to virtually any investment strategy and recognizes that new strategies may occur, the following are examples of investment strategies utilized by the managers which may be retained by the Private Funds.

Event Driven

Event driven strategies seek to identify trading opportunities that occur as a result of a potential or actual significant event such as a merger or acquisition, corporate spin-off, bankruptcy reorganization, share buyback, tender offer, or a capital structure adjustment through security issuance or other means, introduction of a new product, or a change in management. The ability of the manager to assess each transaction for its profit potential and time the decision to enter and exit positions will heavily influence each outcome. The effect of any one transaction on the portfolio is mitigated when there is a diversified portfolio.

Convertible Bond Arbitrage

This strategy typically involves buying a convertible bond and then hedging out the risks to which the manager does not want to be exposed, most notably by going short the underlying equity.

Convertible bonds are convertible into a certain number of shares of the issuing entity’s equity shares at a specified strike price. A convertible bond thus has

properties typical of both a bond and stock. As such, it often trades along a bond floor when the underlying equity is relatively cheap and with a higher delta to the underlying equity when as its conversion value rises above the bond floor. In addition, if a convertible trades around the point between these two values, it may create an opportunity for the manager to engage in volatility trading of the bond. Theoretically, around this region, as the price of the underlying equity moves up or down, its delta to the convertible changes and the convertible proves under or over-hedged, which leads to potential gains before the manager re-hedges the positions. Various implementation options exist for this strategy.

Long/Short

This strategy is based on building a portfolio consisting of long positions in the stocks of companies the fund manager thinks are the strongest and short positions in those companies demonstrating weakness. This strategy may result in significant net long or short exposure, depending on the expectations of the manager.

Fixed-Income Arbitrage

Fixed income arbitrage attempts to capture mispricings which develop between related classes of fixed income securities — mispricings which may be exploited, on a leveraged basis, for significant returns, but also with the risks associated with leverage. This general strategy type includes basis (e.g., cash vs. futures), yield-curve and credit spread trading, volatility arbitrage, legal arbitrage, as well as the arbitrage of price variations caused by forced selling. An unusually high degree of leverage is often available, and often emphasized, in fixed income arbitrage.

Global Macro

Global macro funds invest in those markets and instruments which the manager believes provide the best opportunity. At any given time, the manager may take positions in currencies, debt, equities or commodities. The manager may elect to take outright directional positions; and, depending on the risk-return profile of the markets in which it is trading, it may also elect to take relative value positions, where a long position or set of positions is dynamically paired off against a short position or set of positions.

Quantitative Trading

Quantitative Trading is the systematic implementation of technical trading strategies through an automated approach which does not involve discretionary trading decisions by the Manager of the general partners of the funds.

High Yield Debt

High yield strategies typically involve going long a high yield bond and, depending on the risk tolerance of the manager at any particular point in time, possibly hedging out risks to which the manager wants to limit exposure. This hedging can include a short position in the equity of the issuing firm, long Credit Default Swaps, as well as interest rate hedging. The purpose of this trade can vary, including a desire to clip coupon with lower risk than an outright position or an expectation that the market will re-rate

the credit's quality for such reasons as fundamental company performance or a beneficial adjustment to the firm's capital structure.

Capital Structure Arbitrage

Capital structure arbitrage involves taking long and short positions in various parts of a firm's capital structure, generally with the expectation that small deviations from rational valuation will correct and that significant gains could be had. The manager may employ leverage to increase returns potential, although with the risks that ensue when leverage is employed. Such deviations can occur for a variety of reasons, including the prospects of bankruptcy or, conversely, recovery, differences in debt covenants, forced selling or covering, and long-biased investors reaching for yield. Through taking both long and short positions, risk should be mitigated, and the manager may also apply macro hedges, such as on interest rates, if deemed appropriate.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of 1207 Capital Group, LLC or the integrity of 1207 Capital Group, LLC's management. 1207 Capital Group, LLC has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

At this time, no member of 1207 Capital Group's management team is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator or a commodity trading advisor.

Wilson Williams, an Investment Committee Consultant but not an employee of the Manager, is the principal owner and President of Williams Financial Group (WFG). WFG is a registered broker-dealer with the Financial Industry Regulatory Authority, Inc. (FINRA) and a Registered Investment Adviser with the Securities Exchange Commission. WFG provides clearance and financial support services for financial advisors throughout the United States. The financial advisors are associated with WFG as independent contractors and utilize WFG for trading services, market research, certain proprietary products and general administrative support. As principal of the firm, Mr. Williams is responsible for the regulatory supervision and the daily activities of the firm, as well as new product development and firm growth through acquisition and affiliation of new offices and advisors. The relationship with WFG is further described in Item 14.

Item 11 – Code of Ethics

1207 Capital Group, LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its investors. The Code of Ethics includes provisions relating to the confidentiality of investor information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures, among other things. Any trading in initial public offerings or private placements are pre-cleared by the Chief Compliance Officer. All supervised persons at 1207 Capital Group, LLC must acknowledge the terms of the Code of Ethics annually, or as amended. For a copy of the Code of Ethics, please contact our office.

1207 Capital Group, LLC invests in private partnership hedge funds and not individual publically traded securities. Its employees and their families may trade securities and other financial instruments for their own personal investment accounts. These investments may be purchased or liquidated independently of an investor's investment. 1207 Capital Group, LLC intends to treat each investor fairly in accordance with its fiduciary duty.

1207 Capital Group, LLC may, in its discretion, allow certain investors, including related persons of 1207 Capital Group, LLC, to withdraw all or a portion of their investment at a time other than as described in a Private Funds' offering materials or upon shorter notice. Such early withdrawals may have an adverse impact on the composition and liquidity of the Private Fund's investments and limit the Private Fund's ability to satisfy all withdrawal requests as of a given date.

1207 Capital Group, LLC anticipates that, in appropriate circumstances, consistent with an investors' investment objectives, it will cause accounts over which it has management authority to effect, and will recommend to investment advisory investors or prospective investors, the purchase or sale of securities in which 1207 Capital Group and/or investors, directly or indirectly, has a position or interest. 1207 Capital Group's employees and persons associated with 1207 Capital Group are required to follow 1207 Capital Group's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of 1207 Capital Group may trade for their own accounts in securities which are recommended to and/or purchased for 1207 Capital Group's investors. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of 1207 Capital Group will not interfere with (i) making decisions in the best interest of advisory investors and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of 1207 Capital Group's investors. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as investors, there is a possibility that employees might benefit from market activity by an investor in a security held by an employee.

It is 1207 Capital Group's policy that the firm will not affect any principal or agency cross securities transactions for investor accounts. 1207 Capital Group will also not cross trades between investor accounts.

Item 12 – Brokerage Practices

Cimarron Partners, Cimarron Vista, and Cimarron Healthcare Opportunities invest in private funds. As such, Cimarron is not involved in brokerage transactions and does not receive research or soft dollar benefits from a broker-dealer.

Item 13 – Review of Accounts

1207 Capital Group, LLC, as the General Partner of the Cimarron funds, regularly reviews all underlying managers. Investors in the funds receive monthly statements. The statements are issued by the Private Funds' administrative accounting firm. Currently, statements are issued by mail, but clients may also log-in to the secured website maintained by the administrative accounting firm and retrieve historical statements. The administrative accounting firm notifies Cimarron investors by email when statements are available on their website. Typically, statements are not finalized until approximately 30 days after month-end.

While there is no formal review process, investors are encouraged to contact/visit the Manager at any time.

Cimarron issues a monthly letter, approximately one month after month-end. Monthly letters are archived on the website. The letter contains an estimate of monthly performance, a finalized performance number for the prior month, a brief synopsis of the results from the underlying manager group, an update on any changes made to the asset mix (if any), and commentary read or gleaned from managers followed or other sources that might be of interest to the investors. This letter includes a month by month historical report of Cimarron performance. Additionally, within one week of month-end, investors receive an email flash estimate of performance, provided their email address has been furnished.

A special communication may be issued to update investors on the status of tax returns and/or the audit. From time to time Cimarron may email investors when markets are extremely turbulent to provide a degree of clarity on how the funds are performing.

Item 14 – Investor Referrals and Other Compensation

1207 Capital Group, LLC has an agreement with Williams Financial Group (WFG) to share the management and incentive fee for investors introduced to the Private Funds by WFG. If WFG introduces an investor to a fund, WFG receives a set percentage of the management and incentive fee. WFG also receives a percentage of the management fee for the duration of time the investor remains in the fund. An additional payment of a

portion of the incentive fee, if earned, is paid in the year after the incentive fee is earned.

Item 15 – Custody

Registered investment advisers with custody or possession of advisory client funds or securities (collectively “assets”) must comply with Rule 206(4)-2 of the Investment Advisers Act (the “Custody Rule”). Although 1207 Capital Group may be deemed to have constructive custody of the assets of its private funds based on the Custody Rule, it is our policy not to have actual physical custody of the assets of any investor. 1207 Capital Group has implemented the following controls to comply with the primary requirements under the Custody Rule:

- The Private Funds’ marketable assets are held by a qualified custodian designated by 1207 Capital Group. A formal custody agreement governs the relationship between the funds and the custodian. The custodian is responsible for the safekeeping of the funds’ assets.
- The custodian sends statements, no less frequent than quarterly, to 1207 Capital Group with balance and holding information for each Private Fund. This information is carefully reviewed by us.
- The Private Funds are subject to an annual audit by an independent public accountant and the audited financial statements are distributed to investors in the funds.

1207 Capital Group periodically reviews the effectiveness of its custody controls.

Item 16 – Investment Discretion

1207 Capital Group, LLC has discretionary authority over its private funds. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client. The Manager has full discretionary authority from the investor to select the underlying managers for the funds, their weightings in the funds and subsequent transaction. When selecting underlying managers, the Manager observes the investment objectives, guidelines and restrictions for the private partnerships. Details of the relationship between the Manager and investors as well as investment objectives, guidelines and restrictions, are outlined in each investor’s offering materials and subscription documentation.

Item 17 – Voting *Investor* Securities

Cimarron has established procedures for exercising proxy voting rights. The Investment Committee implements the proxy voting procedures. Because Cimarron’s investment activities relate to creating portfolios of hedge funds and do not involve direct investing or trading in equities, the exercise of proxy voting rights typically involves limited partner or shareholder votes with regard to hedge fund organizational

and governance issues. These entities typically are privately-held limited partnerships or offshore corporations. Cimarron's proxy voting procedures are designed to ensure that proxies are voted in the best interests of our investors.

The portfolio managers or portfolio companies submit proxy proposals seeking investor approval on a variety of matters. Some types of proposals have little or no impact on investors, including proposals by issuers (1) to obtain authority to issue new classes of securities and (2) to amend documents to stay current with legal developments — for example, with respect to the FINRA new issues of equity securities rule, anti-money laundering laws and tax laws. Potentially more meaningful to an investor are proposals in the following categories: (1) proposals to increase the management fee (*e.g.*, from 1.0% to 1.5%), (2) proposals to increase or otherwise change the incentive fee (*e.g.*, to make it possible for the manager to earn a reduced incentive fee (10% rather than 20%) while operating below the previous high water mark in exchange for charging a lower incentive fee until the loss carryforward is eliminated or exceeded by a multiple (for example, 200% of the loss carryforward), and (3) proposals to place greater limits on the investors' ability to redeem (*i.e.*, impose gates or increase lock-ups). Proposals to increase or otherwise change fees and to increase lock-ups typically are combined with an offer to the investor to redeem without penalty before the new, higher fee or longer lock-up applies.

In considering how to vote on a proposal that has a potential adverse impact on investors, the Investment Committee looks at the proposal as an opportunity to reexamine whether an Investor should remain invested in the portfolio fund with the new terms. If the Investment Committee concludes that remaining invested in the hedge fund with the new terms is in the best interest of investors, the Investment Committee typically will recommend a vote in favor of the proposal. The Investment Committee makes these decisions in light of the fact that capacity at the highly skilled underlying hedge funds often is scarce, and the portfolio fund has the ability to push through its proposals by mandatorily redeeming investors that do not consent to the changes. The Investment Committee's most effective "no" vote is to redeem from the portfolio fund before the new proposals go into effect.

For information on proxy votes, please contact our office.

Item 18 – Financial Information

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. 1207 Capital Group, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors, and has not been the subject of a bankruptcy proceeding.