



## **Foxhill Capital Partners, LLC**

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**This brochure provides information about the qualifications and business practices of Foxhill Capital Partners, LLC (“Foxhill”). If you have any questions about the content of this brochure, please contact us at 609-720-1700. This information has not been approved or verified by the United States Securities and Exchange Commission or by and state securities authority.**

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

**Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.**

**Item 2.       Material Changes**

This is the initial filing of Form ADV Part 2A.

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#### **Item 4. Advisory Business**

Foxhill Capital Partners, LLC (“Foxhill”) is an investment advisor with its principal place of business in Princeton, New Jersey. Foxhill, a Delaware limited liability company, was founded in 2005 and commenced investment operations January 1, 2006. Neil Weiner is the principal owner of Foxhill.

Foxhill provides investment management and advisory services on a discretionary basis to its clients who include affiliated and non-affiliated pooled investment vehicles (collectively, the “Pooled Vehicles”) as well as separately managed accounts (each a “Client”). Our affiliated pooled vehicle is Foxhill Opportunity Fund, L.P. (the “Fund”), a Delaware limited partnership. The General Partner for the Fund is Foxhill Capital (GP), LLC, a Delaware limited liability company controlled by Neil Weiner.

Foxhill provides advice to its clients based on specific investment objectives and strategies. Foxhill does not tailor advisory services to the individual needs of investors in the Pooled Vehicles. Foxhill provides investment management and advisory services for event driven investment strategies with particular expertise in distressed and special situations.

As of November 1, 2013, Foxhill had approximately \$96,093,220 assets under management.

#### **Item 5. Fees and Compensation**

Foxhill, or an affiliated entity, charges each investor in the Fund an investment management fee of 1.5% per annum. The investment management fees for the Fund are charged each quarter in advance based on the total market value of the net assets in the investor account (including net unrealized appreciation or depreciation of investments, cash, cash equivalents, and accrued interest). If a new investor account is established or an investor makes an addition to its account during a quarter the investment management fee will be charged as of the effective date of investment based on the value of the assets as of the applicable date and will be prorated for the number of days remaining in the quarter. Withdrawal dates coincide with the quarterly basis for the management fee calculation so there would not be any prepaid fees due to investors.

Foxhill, or an affiliate, receives an annual performance-based allocation which is based on the capital appreciation of the assets of the Fund. This compensation is 20% for the Fund, subject to a loss carry forward provision.

Foxhill or its affiliate may waive or reduce the investment management fee and/or performance allocation with respect to certain investors in the Fund.

Fees are calculated by the Fund’s administrator and deducted from the accounts of the investors in the Fund. The details of how the management fee and performance allocation are calculated for the Fund may be found in its organizational and offering documents

which are provided to investors and prospective Fund investors. The details of how the management and performance fees are calculated and paid for other clients are included in the investment advisory agreements with each client.

Additionally, clients may also be subject to other expenses including, but not limited to, administrator fees and expenses, custodian fees, filing fees, interest, commissions, research expenses, legal fees, compliance fees, taxes, tax preparation and audit fees.

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

As discussed in Item 5 above, Foxhill receives performance-based compensation from its clients. Foxhill does not manage any funds or accounts that do not include performance-based compensation.

#### **Item 7. Types of Clients**

Foxhill's clients consist of affiliated and non-affiliated pooled investment vehicles as well as managed accounts. The investors in the affiliated pooled investment vehicle and managed accounts consist primarily of high net worth individuals, trusts, family offices, and foundations.

Underlying investors in the affiliated pooled investment vehicles are generally required to be Accredited Investors and Qualified Purchasers. Initial and additional subscription minimums for investors in the affiliated pooled investment vehicles are disclosed in its offering memorandum.

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

##### **Methods of Analysis and Investment Strategies**

Foxhill seeks to achieve its clients' investment objectives through a combination of rigorous fundamental research and sophisticated option hedging techniques. This investment process is focused on creating positions with a margin of safety to mitigate permanent impairment of capital. We concentrate on value and event driven opportunities with particular expertise in stressed and distressed securities as well as special situations. Foxhill is situation driven rather than security dependent, looking across capital structures to create positions with a strong risk/reward profile. We tend to focus on the undiscovered and under covered, with investments in niche situations.

Investments of this nature, despite our firm's research and analysis, involve risk of loss that clients and investors must be prepared to bear. The following section does not purport to be complete, but provides information regarding some of the potential risks associated with our investment process and strategy. Prospective investors are urged to review the Fund offering documents before deciding to invest.

## **Risks Factors**

### **Investment, Market and Trading Risks**

*Investment Judgment/Market Risk.* The profitability of a significant portion of the investment strategy depends upon correctly assessing price movements of securities and other investments. There can be no assurance that Foxhill will be able to predict accurately these price movements. Therefore, there is always some, and occasionally a significant, degree of market risk.

*Illiquid Investments.* Investments may be illiquid, and consequently Foxhill may not be able to sell such investments at prices that reflect the Investment Manager's assessment of their value or the amount paid for such investments. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale. The nature of the investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

*Special Situations Strategy.* Foxhill employs a strategy that seeks to profit from changes in the price of securities of companies involved in extraordinary corporate transactions. Generally, the prices for securities of companies involved in extraordinary corporate transactions will trade at a premium or discount to the market price prior to the announcement. If the proposed merger, exchange offer, tender offer, spin-off or other similar transaction is not consummated or delayed, the prices of such securities could move adversely, eliminating the anticipated profit, even if the securities' market prices return to levels comparable to that which existed prior to the announcement of the deal.

In certain transactions, the position may not be "hedged" against market fluctuations. This can result in losses, even if the proposed transaction is consummated. In addition, a security to be issued in a merger or exchange offer may be sold short in the expectation that the short position will be covered by delivery of such security when issued or may be sold short to otherwise hedge a long position. If the merger or exchange offer is not consummated or appears less likely to be consummated, a loss may result if forced to cover its short position at a higher price than its short sale price.

Securities of a target company may be sold short, if the expectation is that the proposed transaction will not be consummated or if related security is trading at a price deemed to be too high. If the transaction is consummated and the price of the target company's securities increases, the short position may be covered at a higher price than the short sale price, resulting in a loss.

The consummation of mergers, exchange offers, tender offers, spin-offs and other similar transactions can be prevented or delayed by a variety of factors. An exchange offer or a tender offer by one company for the securities of another may be opposed by the management or shareholders of the target company resulting in regulatory action and/or litigation which delays or prevents consummation of the transaction. Even if the transaction has been agreed upon by the management of the companies involved, its consummation may be prevented by the intervention of a government regulatory agency,

litigation brought by a shareholder or, in the case of a merger, the failure to receive the necessary shareholder approvals, market conditions resulting in material changes in securities prices, and other circumstances, including, but not limited to, the failure to meet certain conditions customarily specified in acquisition agreements. Even if the defensive activities of a target company or the actions of regulatory authorities fail to defeat a transaction, they may result in significant delays, during which client capital will be committed to the transaction and interest charges on any funds borrowed to finance the activities in connection with the transaction may be incurred.

*Investments in Distressed Companies.* The fact that the securities of certain of the companies are in transition, out of favor, financially leveraged or troubled, or potentially troubled, and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation, means that their securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies.

*Capital Structure Arbitrage:* This investment strategy seeks to identify and exploit the relationships between price movements in different securities and instruments within a single issuer's capital structure. The ultimate goal is for the market values of the different securities to converge, however, if instead they go in opposite directions, substantial losses may be incurred.

*Short Sales.* Foxhill, on behalf of its clients, may enter into transactions, known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Such losses may be mitigated by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, it may be difficult to purchase securities to meet short sale delivery obligations, and portfolio securities may be sold to raise the capital necessary to meet short sale obligations at a time when fundamental investment considerations would not favor such sales.

*Derivatives.* Derivative instruments include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow one to hedge or speculate upon the price movements of a particular security, financial benchmark, currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited, a relatively small adverse market movement can result in the loss of

the entire investment, and may also expose the clients to the possibility of a loss exceeding the original amount invested. Derivatives may also expose clients to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. In the event of counterparty default, the client will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

*Foreign Securities.* Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. and the various foreign currencies in which the portfolio securities may be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

*Leverage.* While not an integral part of the strategy, subject to applicable margin and other limitations, funds may be borrowed to make additional investments and thereby increase both the possibility of gain and risk of loss, amplifying the effect of fluctuations in the market value of the portfolio. Leverage can potentially be created via the use of instruments such as options and other derivative instruments.

*Options.* Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. In the case of the purchase of an option, the risk of loss of the entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or sold uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

*Lack of Diversification.* Since the portfolio will not necessarily be widely diversified, the investment portfolio may be subject to more rapid changes in value than would be the case if the Partnership were required to maintain a wide diversification among companies, securities and types of securities.

*Broker Insolvency Risk.* Transactions entered into may be executed on various U.S. and non-U.S. exchanges, and may be cleared and settled through various clearing houses, custodians, depositories, broker-dealers and prime brokers throughout the world. While U.S. rules and regulations applicable to these brokers may offer significant protections to the assets of their clients if one of them were to become insolvent, the assets of the clients held at such a broker could be at risk. In addition, while the return of client property is designed to occur on an expedited basis, one may be unable to trade the securities that were held by the insolvent broker during this transfer period.



Assets also may be held by non-U.S. brokers. Although certain non-U.S. jurisdictions provide similar protections to client assets, there can be no assurance that clients will not experience losses in any insolvency of such a non-U.S. broker. Foxhill will attempt to execute, clear and settle transactions through entities it believes to be sound, but there can be no assurance that a failure by any such entity will not lead to a loss. In addition, the Securities and Exchange Commission, other regulators, self-regulatory organizations and exchanges in the United States and other countries are authorized to take extraordinary actions in the event of market emergencies. Such actions could lead to a loss as a result of delay in settling transactions or other circumstances.

*Recent Developments in the Financial Services Industry.* Recent developments in the U.S. financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty for the financial services industry. July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) was passed which imposes many new requirements and restrictions on the financial services industry that may likely affect the business, operations and performance of hedge funds, such as increased reporting requirements, limitations on certain trading activity and regulatory oversight by different agencies, such as the newly created Financial Stability Oversight Counsel. The implications of the passage of the Dodd-Frank Act for the hedge fund industry as a whole still remain somewhat unclear. The hedge fund industry may continue to be adversely affected by the recent developments in the financial markets in the U.S. and abroad, and any future legal, regulatory or governmental action and developments in such financial markets and the broader U.S. economy could have an adverse effect.

*Possibility of Fraud.* Instances of fraud and other deceptive practices committed by senior management of certain companies in which Foxhill has invested on behalf its clients may undermine its due diligence efforts with respect to such companies, and if such fraud is discovered, negatively affect the valuation of such investments.

### **Partnership Risks**

*Reliance on Key Person.* The success of the investment strategy depends upon of the ability of the Investment Manager to develop and implement investment and risk management strategies that achieve the clients’ investment objectives. If Neil Weiner were to become unable to participate in the management of the portfolios and their investments, the consequences could be material and may lead to the premature termination of any investment management arrangement. Neil Weiner devotes such time and effort as he deems necessary for the management and administration of the clients’ business. However, he may engage in various other business activities in addition to managing client assets and consequently may not devote all of his time to client assets.

*Investment Authority.* Substantially all decisions with respect to the management of the client assets are made by the General Partner of the Fund and/or the Investment Manager. Investors in the pooled investment vehicles have no right or power to take part in the management of such entities. In the event of the withdrawal or bankruptcy of the General Partner, generally the Fund will be liquidated.

*Performance Allocation.* The performance allocation can create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of such performance allocation. Since the performance allocation will be determined on both realized and unrealized gains, there can be no assurance that such unrealized gains will ultimately be realized.

*Withdrawal Restrictions.* There are restrictions on withdrawals from the Fund and on transfers of Fund investments by investors. The prior written consent of the General Partner is required for an investor to transfer an interest in the Fund. Because of the restrictions on withdrawals and transfers, an investment in the Fund is a relatively illiquid investment and involves a high degree of risk. A subscription in the Fund should be considered only by persons financially able to maintain their investment and who can accept a loss of all of their investment.

*Possible Effect of Substantial Withdrawals.* Substantial withdrawals by investors in the Fund at any one time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the remaining investors.

*Non-Public Information.* From time to time, the Investment Manager may come into possession of non-public information concerning specific companies. Under applicable securities laws, this may limit the Investment Manager's flexibility to buy or sell portfolio securities issued by such companies.

*Absence of Registration.* While the Fund may be considered similar to an investment company, it is not required and does not intend to register as such under the 1940 Act, or the laws of any country or jurisdiction and, accordingly, the provisions of the 1940 Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody to be individually segregated at all times from the securities of any other person and to be clearly marked to identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) are not applicable.

### **Tax Related Risks**

*Uncertainty and Complexity of Tax Treatment.* The tax aspects of an investment in the Fund are complicated and complex and, in many cases, uncertain. Investors will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Fund.

*Risk of Adverse Determination.* The Fund may take positions with respect to certain tax issues that depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the Service or other applicable taxing authority, there could be a materially adverse effect on the Fund, and an investor might be found to have a different tax liability for that year than that reported on its income tax returns.

*Tax Considerations Taken into Account.* The Investment Manager may take tax considerations into account in determining when the investments should be sold or

otherwise disposed of, and may assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.

*Tax Liabilities Without Distributions.* If the Fund has taxable income in a fiscal year, each investor will be taxed accordingly, whether or not such profits have been distributed. Therefore, since there will be no cash distributions to investors, an investor may incur tax liability without receiving sufficient distributions to defray such tax liabilities.

#### **Potential Conflicts of Interest**

The Investment Manager may manage other client accounts, some of which have similar objectives, including other pooled investment vehicles and separately managed accounts. The Investment Manager will act in a manner that is fair, reasonable and equitable in allocating investment opportunities among clients. The Investment Manager is not obligated to devote any specific amount of time to the affairs of each client and is not required to accord exclusivity or priority to any client in the event of limited investment opportunities arising from the application of speculative position limits or other factors.

The principal of the General Partner and the Investment Manager, as well as the employees and officers thereof, may buy and sell securities for their own accounts or the accounts of others, but may not buy securities from or sell securities to client portfolios.

#### **Item 9. Disciplinary Information**

Foxhill is required to disclose whether there are any legal or disciplinary events that would be material to an evaluation of our business and the integrity of our management.

Neither Foxhill nor any of its directors, officers or principals have been involved in any domestic or foreign criminal or civil action, or in any action in military court. Neither Foxhill nor any of its directors, officers or principals have been involved in any administrative proceedings before the U.S. Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority. Neither Foxhill nor any of its directors, officers or principals have been involved in any self-regulatory organization proceedings.

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

Foxhill has entered into investment management agreements with its clients. Foxhill Capital (GP), LLC, an entity under common control with Foxhill, is the General Partner and sponsor of the Fund.

Foxhill has also entered into a sub-advisory agreement with a non-affiliated pooled investment vehicle.

Foxhill has no other material relationships or arrangements with any related person that it believes would cause any conflicts of interest to its advisory business.

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

Foxhill has adopted a Code of Ethics (the “Code”) that obligates it and its supervised persons to put the interest of Foxhill’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of Foxhill’s personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code upon request.

Foxhill requires all personnel to obtain permission of a principal prior to opening a personal trading account with a broker-dealer. Copies of all confirmations and statements of such account must be furnished to Foxhill directly from the broker-dealer. Except with respect to certain securities (including indices, mutual funds, exchange-traded funds and certain government securities) and with respect to certain accounts for which a person does not exercise investment discretion, personal trading activity is required to be approved by a principal of Foxhill before being placed with a broker. No trading in any principal, employee or related person’s account will be permitted if such transaction would adversely affect any of Foxhill’s client accounts. Transaction activity in each principal, employee or related person’s account is reviewed periodically for compliance with Foxhill’s policy.

Interests in the Fund sponsored by Foxhill Capital (GP), LLC are solicited to prospective investors pursuant to private placement transactions exempt from registration under the Securities Act of 1933. All such investors receive a copy of the appropriate private placement memorandum which discloses among other things certain conflicts of interest which may arise.

Pursuant to investment management and advisory agreements, Foxhill regularly effects securities transactions for client accounts. Trading portfolios of clients with similar investment strategies are generally managed on a pari-passu basis. As a result, conflicts of interest may arise between the trading accounts managed for its clients.

Investment decisions are made for the Foxhill’s clients in a fair and equitable manner in light of the relevant investment considerations. Foxhill considers participation by clients with similar investment objectives in each transaction unless Foxhill makes specific determination that the transaction is not suitable for a particular client. In addition legal and structural differences among Foxhill’s clients may result in different trade executions.

**Item 12. Brokerage Practices**

As a general matter in executing portfolio transactions, Foxhill may deal with such brokers or dealers as may, in Foxhill’s best judgment, provide prompt and reliable execution of the transaction at favorable security prices and reasonable commission rates. In selecting brokers or dealers, Foxhill will consider all relevant factors, including the price (net of applicable brokerage commissions or dealer spread), size of the order, nature

of the market for the security, timing of the transaction, the reputation, experience and financial stability of the broker or dealer, the quality of service, difficulty of execution and operation facilities of the firm involved.

In allocation of brokerage, Foxhill may take into consideration the receipt of research services even though such broker-dealers may charge commissions which exceed those other broker-dealers may have charged for the same transaction, if in Foxhill's view the commissions are reasonable in relation to the value of the brokerage and/or research services provided by the broker-dealer, viewed in terms of either the particular transaction or Foxhill's overall responsibilities with respect to the client. Thus, a client may be deemed to be paying for research, brokerage or other services provided by the broker-dealer which are included in the commission rate.

When appropriate under its discretion, Foxhill may direct transactions for clients to broker-dealers who provide Foxhill with research and brokerage products and services either directly or through client commission arrangements. The brokerage commissions used to acquire research and brokerage products and services are known as "soft dollars". Although Foxhill will use the research and services in making investment decisions for its clients, it will generally pay more than the lowest available commissions for execution of these transactions. Foxhill may enter into "soft dollar" arrangements to cover client expenses to the extent such arrangements are permitted by law.

All commissions paid by Foxhill clients fall within the SEC's "safe harbor" provisions (section 28(e) of the US Securities Act of 1934, as amended) which allows an investment adviser to pay for research and brokerage services with the "soft dollars" generated by client account transactions. In determining whether a service or product qualifies as research or brokerage, Foxhill evaluates whether the service or product provides lawful and appropriate assistance to Foxhill in carrying out its investment decision-making responsibilities. Research and other services provided by brokers may include economic and market information, technical data, recommendations and market data services.

Foxhill's authority to use "soft dollar" credits generated by client's securities transactions to pay for expenses that might otherwise have been borne by Foxhill raises conflicts of interest as it may give Foxhill an incentive to select brokers or dealers for client transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by Foxhill rather than giving exclusive consideration to the interests of the clients.

Foxhill periodically reviews and evaluates Foxhill's soft dollar practices to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transactions or Foxhill's overall responsibilities to its clients.

Foxhill believes that its clients benefit from the services obtained with “soft dollars” generated by trades for the accounts of its clients. However, services received by Foxhill will not be used for the exclusive benefit of any one client, and may not be distributed on a pro rata basis.

As a result of client brokerage commissions (or markups or markdowns), Foxhill and/or its related persons received research reports, attended conferences, and held discussions with research analysts, among other things and have directed brokers to pay for third party research including market data such as stock quotes, last sales prices, trading volumes, company financial data and economic data via client commission agreements. In each case the product or service received met the eligibility criteria of the SEC’s “safe harbor” provisions.

When appropriate, Foxhill aggregates client orders for the purchase or sale of the same security submitted contemporaneously for execution using the same executing broker to achieve more efficient execution or to provide for equitable treatment among client accounts. Clients participating in aggregated trades are allocated securities based on the average price achieved for such trades. Such aggregation may enable Foxhill to obtain for clients a more favorable price or better commission rate based upon the volume of a particular transaction. However, brokerage commission rates are not necessarily reduced as a result of such aggregation. In some instances, average pricing may result in higher or lower prices than otherwise obtainable by a single client. Foxhill allocates the securities purchased or proceeds of a sale pro rata among the participant accounts, based on the purchase or sale order.

#### **Item 13. Review of the Accounts**

Each client account is reviewed by Neil Weiner on a continuous basis.

Investors in the Fund receive statements for the pool which include audited financial statements on an annual basis, and unaudited performance data on a monthly basis.

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

Foxhill has engaged a third party marketer to solicit investors for the Firm. Investors will not incur higher fees due to the referral compensation arrangements.

#### **Item 15. Custody**

Although Foxhill does not custody certificated securities (which are typically custodied by our clients’ prime brokers), it is deemed to have custody over certain of the assets of the Fund according to the custody rule set forth in Rule 206(4) 2 under the Investment Advisers Act of 1940, as amended. Foxhill will comply with such custody rule by providing investor in the Fund with audited financial within 120 days of the end of the fiscal year to satisfy the reporting requirement.

## **Item 16. INVESTMENT DISCRETION**

Foxhill provides investment management services on a discretionary basis to the Fund to a grant of authority in the investment management agreement, to a non-affiliated pooled investment vehicle pursuant to a sub-advisory agreement, and to managed accounts pursuant to investment management agreements. Subject to certain limitations, restrictions and objectives set forth in the governing documents of these clients, Foxhill has complete discretion in the investment and reinvestment of client assets, is authorized to purchase and/or sell securities and other financial instruments and to determine the broker to be used for each securities transaction, subject to the requirements of best price and execution.

The investment management agreements and/or sub-advisory agreements of the clients provide Foxhill discretionary authority over the clients' investments subject to the investment guidelines, limitations, restrictions and objectives set forth in each document.

## **Item 17. VOTING CLIENT SECURITIES**

Foxhill has adopted a written statement of Proxy Voting Policies, Procedures and Guidelines to assure that client securities over which Foxhill has voting discretion are voted in the best interests of the client and to resolve any material conflicts that may arise between the clients' interests and the interest of Foxhill. In general, Foxhill will exercise discretion to vote securities held for client accounts in a manner consistent with achieving the investment objectives that have been established for the client's account. Any material conflicts of interest that may arise will be disclosed to, and direction will be sought from the client and in the absence of direction, Foxhill will abstain from voting the clients' securities.

Foxhill's authority to vote proxies or act with respect to other shareholder actions is established through the delegation of discretionary authority under the investment management, advisory or sub advisory agreements with clients. Therefore, unless a client specifically reserves the right, in writing, to vote its own proxies or to take shareholder action with respect to other corporate actions requiring shareholder actions, Foxhill will vote all proxies and act on all other actions in a timely manner as part of its full discretionary authority over client assets.

Clients may obtain information on how their securities were voted or a copy of Foxhill's Proxy Voting Policies, Procedures and Guidelines by written request addressed to Foxhill.

## **Item 18. FINANCIAL INFORMATION**

*Not applicable.* Foxhill does not require or solicit prepayment of any fees six months or more in advance. The firm is in stable financial condition and has never been the subject of a bankruptcy petition.