

**FIRM BROCHURE  
(PART 2A OF FORM ADV)**

**Item 1. Cover Page**

**Kettle Hill Capital Management, LLC  
March 2014**

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**This brochure provides information about the qualifications and business practices of Kettle Hill Capital Management, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 212-488-1728. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Kettle Hill Capital Management, LLC also is 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.

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

The Adviser is an investment adviser with offices in New York, NY and Woodbury, NY. The Adviser commenced operations as an investment adviser on June 1, 2003. Andrew Kurita is the principal owner of the Adviser.

The Adviser provides advisory services on a discretionary basis to its clients, which include pooled investment vehicles intended for sophisticated investors and institutional investors.

The Adviser generally will invest its clients' assets in long and short positions in U.S. equity securities, but has broad and flexible investment authority to invest in other financial instruments.

The Adviser does not tailor advisory services to the individual needs of clients.

Clients may not impose restrictions on investing in certain securities or certain types of securities.

As of February 28, 2014, the Adviser had approximately \$157,858,403 client assets under management. As of that date, the Adviser managed \$157,858,403 on a discretionary basis and \$0 on a non-discretionary basis.

## Item 5. Fees and Compensation

### A. Advisory Fees and Compensation.

#### Asset-Based Compensation

The Adviser receives a quarterly management fee calculated at the annual rate of 1.5%. The management fee is paid quarterly in advance based on the value of each client's assets as of the first day of each calendar quarter (adjusted for contributions but not withdrawals made during the quarter). The management fee will be prorated for any period that is less than a full calendar quarter and will be deducted in calculating the net profit or net loss of the client. The Adviser, in its sole discretion, may waive or modify the management fee for investors in the clients that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

#### Performance-Based Compensation

The Adviser will be paid a performance-based fee, which is compensation in the form of an allocation that is based on a share of capital gains on or capital appreciation of the assets of a client. This compensation may be paid to the Adviser or to a related person of the Adviser at a rate of 20%. The Adviser, in its sole discretion, may waive or modify the performance-based allocation for investors in the clients that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

### B. Payment of Fees

The Adviser deducts the investment management fee from client accounts by instructing the client's custodian. The Adviser deducts client accounts for investment management fees quarterly.

### C. Other Fees and Expenses

In addition to paying investment management fees and, if applicable, performance-based fees or other compensation, client accounts will also be subject to other investment expenses such as legal, audit and accounting expenses (including third party accounting/administration services); investment expenses such as commissions, research fees and expenses (including research-related travel); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; and any other expenses reasonably related to the purchase, sale or transmittal of client assets. Client assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to the investment management fee paid to the Adviser. Client assets may be invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund. In addition, clients will incur brokerage and other transaction costs. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

**D. Prepayment of Fees.** The management fee is prorated for any quarter during which the Adviser is not providing investment advisory services for the entirety of such quarter.

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple clients. The Adviser and its related entities are entitled to be paid performance-based compensation by the Adviser's private pooled investment vehicle clients.

In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. All of the Adviser's clients are presently charged performance-based fees at the same rate.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts are treated equitably. The performance of similarly managed accounts is compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata automatically based on asset size and require that, to the extent orders are aggregated, the client orders are price-averaged. Finally, procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts. These areas are monitored by the Adviser's Chief Compliance Officer.

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

The Adviser's clients consist of private funds (i.e., pooled investment vehicles).

With respect to any client that is a pooled investment vehicle, the minimum initial investment in the pooled investment vehicle is \$250,000, subject to waiver in the sole discretion of an affiliate of the Adviser. In general, the capital contributions will be accepted quarterly; however, the Adviser reserves the right, in its sole discretion, to accept capital contributions at other times. There is no minimum balance that a client account may not fall below.

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

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

The Adviser utilizes a variety of methods to make investment decisions and recommendations. The methods of analysis include, but not limited to: fundamental “bottom-up” research, thematic research, macro-economic research, as well as use of quantitative and technical tools and analyses.

The Adviser employs the following investment strategies:

**Equity.** The Adviser engages in long equities strategies. The Adviser’s primary equity strategy is one that investors have traditionally have been referred to as ‘value’ investing, but may incorporate elements of a broad range of investing styles, including ‘growth’ investing and ‘growth-at-a-reasonable price’ investing. Methods of analysis may include, but not limited to: fundamental “bottom-up” research, thematic research, macro-economic research, as well as the use of quantitative and technical tools and analyses. The Adviser will generally focus on small-cap market capitalization equities, but may also invest in micro-cap, mid-cap and large-cap equities. The Adviser will hold securities for various periods of time, including from a single day to years.

**Short Selling.** The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) management of gross and net exposures of the portfolio and (iii) for profit.

These investment styles, methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

### **B. Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies.**

**Lack of Diversification.** Client accounts may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

**Short Selling Risk.** The Adviser’s investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

**Hedging.** There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser’s investment portfolios than if the Adviser did not engage in any such hedging transactions.

**Issuer-Specific Changes.** Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security’s or instrument’s value. The value of securities of smaller, less well-known

issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

**C. Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).**

**Equity Securities.** The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

**Non-U.S. Securities.** While the Adviser does not anticipate foreign securities to be a core investment focus, the clients may invest in them. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

**Security Futures and Options.** In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

## **Item 9. Disciplinary Information**

This Item is inapplicable.

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

This Item is inapplicable.

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

**A. Code of Ethics.** The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Adviser's clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Bryan Kiss (Chief Compliance Officer) by email at bk@kettlehill.com, or by telephone at 212-488-1728. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

**B. Investing in Securities Recommended to Clients.** In addition, the Adviser or its related persons invests in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a related person recommends to clients. Such practices present a conflict where, because of the information an Adviser has, the Adviser or its related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: The Adviser requires its related persons/access persons to preclear all transactions in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients. In addition, the Adviser's Code prohibits the Adviser or its related persons/access persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser's related persons are required to have copies of brokerage statements and brokerage transaction confirms sent to the Adviser. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the client accounts.

## Item 12. Brokerage Practices

### A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, offering to the Adviser on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's portfolio manager and trader review and evaluate periodically the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

**1. Research and Other Soft Dollar Benefits.** The Adviser, receives research or other products or services other than execution from broker-dealers in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

When the Adviser uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's Chief Compliance Officer, with input from other employees of the Adviser, reviews and evaluates periodically its soft dollar practices and 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 transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

The Adviser may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for clients.

Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions may be used by the Adviser in its other investment activities, including for the benefit of other client accounts. The Adviser does not seek to allocate soft dollar benefits to client account proportionately to the soft dollar credits the accounts generate.

During the Adviser's last fiscal year, as a result of client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired: research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; software used for research of securities; discussions with research analysts; meetings with corporate executives; attendance at certain conferences; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information.

In determining whether to direct client brokerage transactions to particular broker-dealers, the Adviser's Chief Compliance Officer reviews and evaluates the soft dollar practices of the Adviser and 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.

In some instances, the Adviser obtains a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by the Adviser's personnel. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and clients.

**2. Brokerage for Client Referrals.** From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend these private funds as an investment to clients. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

## **B. Order Aggregation.**

The Adviser often purchases or sells the same security for multiple clients contemporaneously/at or near the same time and using the same executing broker. It is the Adviser's practice, where possible, to aggregate client orders for the purchase or sale of the same security contemporaneously/at or near the same time for execution using the same executing broker. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through

multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating clients.

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

**A. Frequency and Nature of Review.** Each client account is reviewed by the portfolio manager of the Adviser on a regular basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account.

**B. Content and Frequency of Regular Account Reports.** A client's investors receive reports from the client pursuant to the terms of each client's offering memoranda or as otherwise described in the offering document of the client.

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

**A. Economic Benefits Received from Non-Clients for Providing Services to Clients.** The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

**B. Compensation to Non-Supervised Persons for Client Referrals.** The Adviser makes residual cash payments to a third-party solicitor for client referrals, pursuant to a written agreement between such solicitor and the Adviser. The Adviser does not currently engage any third-party solicitors for the purpose of new client referrals.

**Item 15. Custody**

This Item is inapplicable.

## Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority.

Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Allocations will be made among client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a client's status as a "restricted person" under applicable regulations.

Securities acquired by the Adviser for its clients through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those client accounts eligible to hold such securities. Eligibility will be based on the legal status of the clients and the client's investment objectives and strategies.

The Adviser may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless client consent has been obtained based upon written disclosure to the client of the capacity in which the Adviser or its affiliates will act.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that clients are

treated fairly. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a client account incurs a trade error as a result of the Adviser's gross negligence, willful misconduct, or violation of applicable laws, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the client account.

### **Item 17. Voting Client Securities**

To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

If a material conflict of interest between the Adviser and a client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the client or take some other appropriate action. The Adviser does not make any qualitative judgment regarding its client's investments.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting Bryan Kiss (Chief Compliance Officer) by e-mail at [bk@kettlehill.com](mailto:bk@kettlehill.com) or by telephone at (212) 488-1728.

## **Item 18. Financial Information**

This Item is inapplicable.

**Item 19. Requirements for State-Registered Advisers**

This Item is inapplicable.

## **Appendix: Item 2. Material Changes**

This Item is inapplicable.