

Brochure
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Deer Isle Financial, LLC ("DIF"). If you have any questions about the contents of this brochure, please contact us at (212) 488-0555. 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.

Additional information about Deer Isle Financial, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2: Material Changes

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the brochure.

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Item 4: Advisory Business

Deer Isle Financial, LLC (“DIF”) is a limited liability company formed July 25, 2007 under the laws of the state of Delaware, U.S.A. DIF is a wholly owned subsidiary of Deer Isle Group, LLC (“DIG”), also a limited liability company formed July 25, 2007 under the laws of the state of Delaware, U.S.A. DIG is majority owned by Dianna Raedle, President and CEO. Ms. Raedle’s biography is set forth below.

DIF intends to provide investment advisory services and portfolio management on a discretionary and non-discretionary basis to investment vehicles including public and private pooled investment vehicles as well as separately managed accounts. These services are generally intended to be utilized by commingled investment vehicles, institutional investors and other sophisticated investors.

DIF intends to initially provide investment advisory services to two clients (Funds): the Deer Isle Boseria China Income Fund Ltd. (Cayman Islands Exempted Company) and the Deer Isle Boseria China Income Fund LLC (Delaware Limited Liability Company). The Funds focus on Chinese fixed income strategies and are offered to institutional investors and qualified high net worth investors. As DIF’s business develops, it is anticipated that the advisory services will increase to include other funds and co-mingled vehicles of a similar nature.

DIF is registered with the SEC as a newly formed advisor, relying on rule 203A-2(c)

Dianna Raedle, Founder/CEO:

Ms. Raedle is responsible for all aspects of the business including investments, business development and operations. She has over 20 years of experience in the capital markets with both public and private securities across the capital structure.

Prior to founding Deer Isle Group, Ms. Raedle co-founded and was co-Managing Partner at Millennium Americas which was a sub-advisor to Millennium Global Investments Ltd., a \$12 billion London based investment management company, for the Millennium Global Special Situations Americas Fund, a Latin American focused special situations fund, where she sat on the investment committee and was responsible for structuring. Ms. Raedle raised approximately \$5 billion in assets including \$100mm in seed capital from OPIC for an Africa focused private equity fund. Prior to Millennium Americas, Ms. Raedle had extensive experience creating highly structured transactions at SBC Warburg Inc, and at Credit Suisse First Boston (London and Switzerland).

Ms. Raedle holds an MBA from Harvard Business School and a BA from Princeton University. She has Series 3, 7, 24, 63, 79 and 99 Registrations.

Item 5: Fees and Compensation

DIF is paid advisory or management fees for the assets that it manages. The specific manner in which fees are charged is set forth in either the client's written agreement with DIF or the Fund's offering documents.

All fees are subject to negotiation based upon a variety of factors, including among other things, the size and nature of the investment strategy, account size and/or the strategic nature of the relationship with DIF or related persons.

Management fees for the funds are calculated and paid in accordance with the Fund's offering documents.

Advisory clients are billed in arrears on a monthly or quarterly basis. Clients may also elect to directly debit fees from their client accounts. Management fees are prorated for each capital contribution and withdrawal made during the applicable time period (with the exception of de minimus contributions and withdrawals). Upon termination of any account, any prepaid, unearned fees are promptly refunded, and any earned, unpaid fees are due and payable.

DIF's fees are exclusive of and in addition to direct operating expenses which may include, among other things: custody and accounting services, fees and expenses of professionals providing services to the funds under management, including valuation, custody, legal, tax, audit, administration, meetings of any of the fund's under management boards, committees, sub-committees, securities registration, insurance (including indemnification and director's and liability insurance covering DIF and affiliated entities if applicable, including the general partner of any funds) employees, brokerage commissions, deferred sales charge, electronic fund fees, and other fees and taxes, odd lot differentials, transaction fees, and other related costs and expenses which are by the client.

DIF does not receive any portion of these commissions, fees, and costs. Managed account clients are free to use their own agents and brokers to transact portfolio transactions and to hold their own securities.

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

DIF may enter into performance or incentive fee arrangements with qualified clients: such fees vary and are subject to individual negotiation. DIF structures all performance or incentive fee arrangements subject to Section 205(a)(1) of the Investment Advisors Act of 1940 in accordance with the available exemptions there-under.

Item 7: Types of Clients

DIF provides investment advisory services and portfolio management services to the Funds and its investors which are high net worth individuals, foundations, endowments, pensions, municipalities, private investment funds, trust programs, sovereign wealth funds and other US and international institutions. Investors in the Funds must be either “qualified purchasers” or “accredited investors” (as such terms are defined respectively in the Investment Company Act of 1940 and Regulation D under the 1933 Act).

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

DIF's investment objective in the Funds is to achieve stable fix-income returns, while providing an opportunity to increase exposure to Chinese currency, Renminbi ("RMB"), and Chinese fixed income through local Chinese managers. This will initially be achieved through US-based and Cayman based feeder funds, advised by Deer Isle, investing in a Master Fund which will invest in an underlying RMB Income Fund ("RMB Income Fund") and a RMB fixed-income portfolio, providing access to both the CNY (on-shore RMB) bond market via RQFII as well as the CNH (off-shore RMB) bond market (commonly known as the Dim Sum market). RQFII provides Chinese government approved access to all three segments of the local China bond market (inter-bank market, exchange market and over the counter market). Until late 2011 when RQFII was authorized by the Chinese government, international investors had been prohibited from investing into the Chinese fixed income inter-bank and over the counter markets, and access to the inter-bank market was highly restricted.

The Master Fund strategy also incorporates investment and market analysis in the Dim Sum market, which is combined with the local Chinese asset manager's active portfolio management and effective risk management methodologies. The rationale for DIF's strategy is the result of two years of extensive research and analysis along with on-the-ground due diligence conducted by DIF senior personnel, analysts and affiliated persons.

Local currency fixed-income strategies are subject to credit and rate risk. DIF views credit risk (i.e., the sensitivity of an asset to the quality of the underlying issuer) as a significant risk and while it is not DIF's intention, or within its ability, to completely eliminate this risk, strategies are in place to minimize it. DIF has engaged with the local Chinese asset manager in order to maximize local knowledge to mitigate risks.

The local Chinese asset manager seeks to achieve stable returns through thorough investment analysis, active portfolio management and effective risk management methodologies.

Investing in foreign currency securities involves risk of substantial loss that Fund investors should be prepared to bear.

Item 9: Disciplinary Information

Neither DIF nor its supervised persons have been the subject of any disciplinary actions.

Item 10: Other Financial Industry Activities and Affiliations

DIF's affiliate is Deer Isle Capital, LLC ("DIC"), a FINRA regulated Broker Dealer (CRD#: 146269). DIC's primary business is providing capital raising expertise to select investment managers. DIC and DIF are both wholly owned subsidiaries of Deer Isle Group, LLC ("DIG"), also a limited liability company formed July 25, 2007 under the laws of the state of Delaware, U.S.A.

DIG, the parent company, is registered with the National Futures Association (Firm NFA ID: 0405642).

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

DIF has a Code of Ethics (“COE”) that sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; acknowledges our fiduciary responsibilities to our clients; and addresses conflicts that arise from personal trading by advisory personnel.

Furthermore, DIF has chosen to develop its COE in accordance with guidelines set forth by the CFA Institute. CFA Institute seeks to lead the investment profession globally by setting the highest standards of ethics, education and professional excellence. To foster a culture of ethics and professionalism CFA institute has designed the Asset Manager Code of Professional Conduct to set forth a useful framework for all asset managers to provide services in a fair and professional manner. In brief, the CFA Asset Manager Code of Professional Conduct addresses the following aspects of the asset management profession:

- A. Loyalty to Clients
- B. Investment Process and Actions
- C. Trading
- D. Risk Management, Compliance, and Support
- E. Performance and Evaluation
- F. Disclosures

DIF claims compliance with the CFA Institute Asset Manager Code of Professional Conduct. This claim has not been verified by the CFA Institute.

DIF’s COE requires, among other things, that employees:

- Place the interests of clients foremost, above one’s own personal interests and the interests of DIF;
- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve professional competence and strive to maintain and improve the competence of other investment professionals; and

- Comply with applicable provisions of the federal securities laws.

DIF is aware of the potential for a conflict of interest in cases where a related person or employee buys or sells securities that are the same as those of DIF clients. In order to limit this conflict of interest DIF's COE prohibits such trades and requires mandatory reporting of all trading.

Employees of DIF and its related persons may invest their personal funds in the Funds, and therefore, such person may hold the same securities as other investors in the Funds. Potential conflicts may arise due to the fact that DIF and its personnel may have investments in some Funds but not in other, or may have different levels of investments in the various Funds. In addition, certain employees of the advisor may own securities in their personal accounts that are also recommended by the advisor to the Funds. DIF has established policies and procedures to monitor and resolve conflicts with response to investment opportunities that it deems fair and equitable, including the restrictions placed on personal trading in the COE.

Related persons and employees are required, both initially upon commencement of employment and annually thereafter, to provide DIF with a detailed summary of securities accounts over which they have or any member of their immediate family has a beneficial ownership interest. Employees are required to have copies of all account statements and broker trade confirmations related to personal securities transactions sent directly to DIF's Chief Compliance Officer. Employees' monthly and/or quarterly brokerage account statements are reviewed by the Chief Compliance Officer.

A copy of DIF's code of ethics is available upon request through the Chief Compliance Officer.

Item 12: Brokerage Practices

DIF uses DIC for Fund placement services and enters into placement agreements with DIC. Under these agreements, DIC solicits or refers clients to the Advisor or its affiliates, as the case may be, and receives compensation for such services. All compensation paid to DIC will be fully disclosed to the client as required by applicable law.

DIF will not be trading securities for the Funds through brokers.

Securities trading in the Fund structure will predominately be done in the local Chinese and Hong Kong markets by the local Chinese asset manager.

Item 13: Review of Accounts

DIF provides or shall cause to provide its Fund clients with a monthly review of their investment showing performance and a review of the investment activities of the past month. Certain investors may request and receive additional oral and/or written review. In addition, the Fund clients will receive an annual audited financial statement and, for US tax paying investors, a schedule.

Item 14: Client Referrals and Other Compensation

DIF has a contractual agreement with its affiliate Deer Isle Capital (“DIC”) to represent its interest as a placement agent for investors in the DIF advised funds. All compensation paid to DIC will be fully disclosed to clients as required by applicable law. DIF Capital is a registered broker-dealer under FINRA (CRD # 146269).

Item 15: Custody

DIF does not maintain custody for its clients.

Item 16: Investment Discretion

DIF accepts discretionary authority to manage investment accounts on behalf of its clients. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Under these arrangements, DIF has the authority to determine, without obtaining specific client consent, the investments to be bought or sold, and the amount of the investments to be bought or sold on behalf of clients. Discretionary authority will be agreed upon by the parties and will be provided to DIF in writing.

Item 17: Voting Client Securities

Investors in the DIF Funds are not entitled to voting rights, except in special circumstances as provided in the offering documents.

Item 18: Financial Information

Registered investment advisers are ordinarily required to provide certain financial information or disclosures about their financial condition if they require prepayment of fees or have custody of accounts. DIF does not require or solicit prepayment of client fees and does not have custody of client funds.

DIF has not been the subject of a bankruptcy petition and has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.