

Item 1. Cover Page

Brochure of
The Cypress Funds LLC
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March 31, 2015

This brochure provides information about the qualifications and business practices of The Cypress Funds LLC (“Cypress”). If you have any questions about the contents of this brochure, please contact us at (213) 891-6375. 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 Cypress also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

There have been no material changes to this Brochure since March 31, 2014, the date that this Brochure was last amended. However, this Brochure does include other updating changes.

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Item 4. Advisory Business

Cypress has been in business since 1969 and provides investment advice to investment funds. Cypress's owner is Robert A. Day. As trustee of the Robert A. Day Trust dated March 22, 2000, as amended (the "Trust"), Mr. Day is also the owner and chairman of Oakmont Corporation ("Oakmont"), a family office that provides investment advice, financial planning and various administrative services to members of a family and several individuals who have long-standing relationships with one or more family members. Mr. Day is also a controlling owner of Sword Capital Partners, LLC ("Sword Partners"), an investment adviser to investment funds. The investment funds managed by Cypress and Sword Partners are referred to collectively herein as the "Funds".

Cypress's principal portfolio manager is Ronald J. Krystyniak. Mr. Krystyniak provides those services through Peak Investments, LLC, a California limited liability company ("Peak") that he manages and that is a member of Cypress.

Oakmont, Sword Partners and Peak (the "Other Advisers") are SEC-registered investment advisers. Cypress shares office space with the Other Advisers and certain Oakmont employees provide services to Cypress.

As of December 31, 2014, Cypress had total discretionary assets under management of approximately \$380,485,861. Cypress only manages assets on a discretionary basis.

Cypress is the investment adviser and general partner of investment funds and invests principally, but not solely, in equity and equity-related securities that are traded publicly in U.S. and non-U.S. markets on behalf of its clients but is authorized to enter into any type of investment transaction that it deems appropriate under the terms of each client's partnership or other account agreement.

The investors in the Funds that Cypress manages have no opportunity to select or evaluate any Fund investments or strategies. Cypress selects all Fund investments and strategies.

Item 5. Fees and Compensation

Quarterly and Annual Fees

Cypress's compensation is negotiable and varies, but typically, it charges an annual fee of 1% of assets under management, which in some cases is payable monthly and in other cases is payable quarterly. Such fees are payable in advance on the first day of each month or calendar quarter based on the net market value of each client's account on that date. Cypress also typically is allocated from each limited partner in an investment partnership a performance allocation equal to 20% of net profits (including realized and unrealized gains and losses) otherwise allocable to that limited partner and receives from each other client a performance fee equal to 20% of net profits of the account (including both realized and unrealized gains and losses). Performance allocations and fees are assessed annually in arrears (and on withdrawals or redemptions during the year with respect to the amount withdrawn or redeemed) and are applied only to profits that exceed the cumulative losses previously incurred by or allocated to the clients. Cypress complies with Rule 205-3 under the Investment Advisers Act of 1940, if applicable. Performance

allocations and fees may create an incentive for Cypress to make more risky and speculative investments than it would otherwise make.

Cypress typically deducts management fees and performance compensation directly from client accounts. Accounts that invest in mutual funds also pay, indirectly, investment advisory fees to the managers of those funds and other expenses of those funds, including brokerage commissions. The expenses that a mutual fund pays are available in its prospectus.

Cypress believes that its fees are competitive with fees charged by other investment advisers for comparable services, but comparable services may be available from other sources for lower fees than by Cypress charges.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in a Fund of which Cypress is the investment adviser, to use the “alternative reporting option” to report Cypress’s compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

Fees Relating to Withdrawals

Cypress’s relationships with the Funds that it manages are terminable on expiration of the Fund’s term, dissolution of the Fund or on Cypress’s withdrawal or other termination as general partner or investment adviser of the Fund. Each investor may withdraw or redeem from a Fund, on specified prior written notice, on the last day of any calendar quarter or month, depending on the Fund.

In all cases, expenses, the pro rata portion of the management fee and the performance allocation or fee through the date of termination are charged to the Fund or other account, as applicable. All prepaid but unearned advisory fees are refunded on termination of a Fund or other client’s account. An investor who withdraws or redeems from a Fund on a date other than the last day of a quarter, however, does not receive a refund of the management fee previously paid.

Expenses

Each account is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, tax, accounting and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. Cypress bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by securities brokerage firms and futures commission merchants that execute clients’ securities trades, as discussed in Item 12.

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

Cypress currently manages only accounts that pay performance-based compensation as described in Item 5. It does not manage accounts that do not pay performance-based compensation.

Item 7. Types of Clients

Cypress provides investment advice to investment funds. Investors in these funds are required to invest a minimum of \$5,000,000, but Cypress may waive this minimum.

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

Investment Strategy

Cypress uses bottom-up, fundamental research and analysis in its investment decision-making process. The funds that it manages generally invest in equity securities of issuers in a wide range of industries on a global basis. Cypress seeks to identify and invest in companies that are redefining industries and changing competitive landscapes. Its research efforts therefore focus on structural changes occurring within individual companies, industries or the economy at large. Change represents opportunity to succeed or fail. Cypress seeks to take advantage of these opportunities before the impending change is recognized by the marketplace and reflected in the prices of the relevant securities.

Cypress seeks to maximize long-term capital appreciation for the Funds' investors by taking long positions in securities that satisfy Cypress's investment objectives. Cypress also seeks to increase the Funds' performance potential and hedge against general market risk by taking short positions in certain securities. The goal is to buy securities issued by sound businesses at attractive valuations and hold them for the long term while selling short securities issued by flawed businesses at inflated valuations. To help achieve these objectives, Cypress generally uses a variety of investment techniques, including leverage.

The Funds that Cypress manages are intended for investors who have the perspective, patience and the financial ability to participate in a fund focused on pursuing long-term capital growth. Cypress cannot assure investors that it will be able to implement its investment objectives successfully or that the investment strategies it employs will be successful.

This investment strategy summary represents Cypress's current intentions, is general in nature and is not exhaustive. There are no limits on the types of investments in which Cypress may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Cypress may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, Cypress may pursue any objectives or use any techniques that it considers appropriate and in clients' interest.

Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any Fund that Cypress manages. Any of these risks could materially and adversely affect investment performance, the value of any account or any security held in a Fund, and could cause investors to lose substantial amounts of money. The list below is only a brief summary of some of the risks that an investor

may encounter. Potential investors in a Fund should review its offering circular or private offering memorandum carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. A potential investor should discuss with Cypress's representatives any questions that such person may have before investing in a Fund that Cypress manages.

Market and Counterparty Risks

- Investor sentiment on the market, an industry or an individual security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- Some of an account's positions may be or become illiquid, in which case Cypress may not be able to sell such positions.
- Changes in economic conditions can adversely affect investment performance.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Cypress does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.

Risks Related to the Investments that Cypress Makes on Behalf of Its Funds

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Cypress may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Cypress also may receive material, non-public information about an issuer that prevents it from trading that issuer's securities for a client when the client could make a profit or avoid losses.
- Cypress may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.
- Cypress engages in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Cypress is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.

- Cypress sells securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to deter short sales of the issuer's securities. Cypress could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.
- Cypress may use leverage by borrowing on margin, selling securities short and trading futures, other commodity interests and derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Cypress may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Cypress may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging.
- Cypress may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Cypress may acquire for a client a large position in an issuer's securities but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if Cypress holds a large position in an issuer's securities, its subsequent sales of those securities could depress the market for them.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which that account has invested may cause significant losses.
- Cypress's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- Cypress's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.

Liquidity Risks

- There is not and will not be an active market for Fund interests. It may be impossible to transfer any such interests, even in an emergency.

- A Fund may not be able to generate cash necessary to satisfy investor withdrawals and redemptions. Substantial withdrawals and redemptions in a short period could force Cypress to sell a Fund's portfolio positions too rapidly, and may so reduce the size of the Fund that it cannot generate returns or reduce losses. Further, a Fund may limit or suspend withdrawals or redemptions of an investor's assets.

- A Fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.

- A Fund may establish a reserve for contingencies if Cypress considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.

- The Funds do not intend to make distributions, but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a Fund without a cash distribution to pay the related taxes.

- If a Fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.

Conflict of Interest Risks

- Cypress determines the value of securities and commodities held in client accounts, whether or not a public market exists for those instruments. If Cypress's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a Fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.

- The client and not Cypress is responsible for any trade errors that Cypress makes in an account, even when the error hurts the client.

- Cypress and its affiliates and agents generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in the loss breached Cypress's fiduciary duty to the client or investor.

- Cypress and its affiliates may spend time on activities that compete with a Fund without accountability to investors, including investing for other clients and their own accounts. If Cypress receives better compensation and other benefits from managing other assets or client accounts compared to managing a Fund, it has incentive to allocate more time to those other activities. These factors could influence Cypress not to make investments on a Fund's behalf even if such investments would benefit the Fund.

- Cypress may provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal or redemption rights that it does not provide to other investors or clients.

- If the assets that Cypress and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Cypress to find attractive investments as the amount of assets that it must invest increases.

Regulatory Risks

- In past years, economic conditions in the U.S. and elsewhere deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Cypress must devote to regulatory compliance, to the detriment of investment activities.
- Cypress is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator. The equity interests in the Funds that Cypress manages are not registered under the Securities Act of 1933, and those Funds are not registered investment companies under the Investment Company Act of 1940. Cypress believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Cypress and any of its Funds could be subject to expensive legal action and potential termination. In addition, investors in the Funds do not have certain regulatory protection that they would have if these registrations were in place.
- Cypress, an administrator or any government agency may freeze assets that any of them believes an investor holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of Cypress, its Funds or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.

Item 9. Disciplinary Information

Not applicable.

Item 10. Other Financial Industry Activities and Affiliations

Robert A. Day, Cypress's owner, is also the controlling owner of Oakmont and Sword Partners. Ron Krystyniak, through Peak, is Cypress's principal portfolio manager and is also the principal portfolio manager for Oakmont. Please see Item 4 for the definitions of capitalized terms used in this Item 10.

Cypress and the Other Advisers may invest in the same investment opportunities. They also have discretion to determine how to allocate those opportunities among their clients, the Funds, themselves and their affiliates. An investment that might be appropriate for Funds managed by Cypress might be more profitable or otherwise benefit Mr. Day, Mr. Krystyniak and the Other

Advisers if those Funds do not participate. This conflict of interest could influence Cypress not to make such an investment for its Funds even though participation might benefit them.

The Oakmont employees who provide services to Cypress also have conflicts of interest over the amount of time they spend on its activities and the activities of Oakmont and Sword Partners. If it is more profitable for Mr. Day and those employees to spend time on Oakmont's and Sword Partners' activities compared to Cypress's, they have an incentive to allocate more time to those activities.

Cypress and the Other Advisers have addressed the conflicts of interest discussed in this Item 10 by disclosing them to clients and investors and by implementing policies and procedures governing allocation of investment opportunities and regularly reviewing such policies and procedures and such allocations.

Securities transactions for the Funds are made through Oakmont's trading desk by Oakmont's employees. The conflicts of interest raised by this arrangement are discussed in Item 12.

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

Cypress has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that Cypress's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Cypress's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Cypress's Code of Ethics by contacting Cypress.

Under the Code of Ethics and the codes of ethics of each of the Other Advisers, Cypress, the Other Advisers and their members, shareholders and employees may personally invest in the same securities that Cypress purchases for its clients and may own the same securities that Cypress subsequently purchases for its clients. The Other Advisers may also purchase and sell such securities for their clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally, or to profit the Other Advisers' clients, by the market effect of such transactions and recommendations. To address this conflict, Cypress and the Other Advisers have adopted policies and procedures governing the allocation of investment opportunities among clients and regularly review such policies and procedures.

In addition, all securities transactions by Cypress's supervised persons and the Other Advisers' employees, other than open-ended mutual funds (but not exchange-traded funds), U.S. government securities, money market instruments and shares of money market funds, must be pre-approved in writing by Cypress's compliance officer or the compliance officer of the appropriate Other Adviser. In addition, such employees and supervised persons may not buy or sell a security for their own accounts until the trading day after orders for clients in that security have been filled and there is no buying or selling program in progress. Cypress, the Other Advisers and their employees may also buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals, which Cypress does not believe appropriate to buy or sell for clients.

Because Cypress manages more than one account, and Peak and Mr. Krystyniak manage more than one account on behalf of Oakmont and Cypress, there may be conflicts of interest over their time devoted to managing any one account and allocating investment opportunities among all accounts that they manage. For example, Mr. Krystyniak selects investments for each client of Oakmont and Cypress based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. Mr. Krystyniak may buy or sell a security for one type of client but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Mr. Krystyniak may give advice to, and take action on behalf of, any client of Oakmont or Cypress that differs from the advice that he gives or the timing or nature of action that he takes on behalf of any other client. None of Cypress, Peak or Mr. Krystyniak is obligated to acquire for any account any security that his or its members or employees may acquire for their own accounts or for any other client, if in the absolute discretion of Cypress, Peak or Mr. Krystyniak, it is not practical or desirable to acquire a position in such security for that account.

Item 12. Brokerage Practices

Except when Cypress chooses to delegate such authority to Peak and Mr. Krystyniak, Cypress has complete discretion in selecting the broker or futures commission merchant that it uses for client transactions and the commission rates that clients pay such brokers and futures commission merchants. In addition Cypress, Peak and Sword Partners direct the Funds' securities transactions through Oakmont's trading desk by Oakmont's staff. In selecting a broker or futures commission merchant for any transaction or series of transactions, Cypress may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- special execution capabilities;
- offering to Cypress on-line access to computerized data regarding clients' accounts;
- computer trading systems; and
- the availability of stocks to borrow for short trades.

Cypress may also purchase from a broker or futures commission merchant or allow a broker or futures commission merchant to pay for the following (each a “soft dollar” relationship):

- research reports, services and conferences, including third-party research fees;
- technical data;
- periodical subscription fees;
- consultations;
- performance measurement data;
- on-line pricing;
- news wire and data processing charges;
- quotation services;
- custody, recordkeeping and similar services;
- proxy voting services;
- computer hardware and software;
- accounting fees; and
- legal fees.

Cypress may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers and futures commission merchants or direct a broker or futures commission merchant that executes transactions to share some of its commissions with a broker or futures commission merchant that provides soft dollar benefits to Cypress.

Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If Cypress uses commission dollars to pay for products or services that provide administrative or other non-research assistance to itself or its affiliates, such payments may not fall within the section 28(e) safe harbor.

Cypress has retained Morgan Stanley & Co., Incorporated (“Morgan Stanley”) to serve as the prime broker and custodian of the Funds that it manages. Cypress may replace Morgan Stanley or appoint an additional prime broker and custodian at any time. The services that Morgan Stanley currently provides as prime broker may include custody, margin financing, clearing, settlement and stock borrowing in accordance with the terms of the prime brokerage agreement entered into between it and each such Fund. Morgan Stanley has custody of each such Fund’s assets and provides Cypress with other services. These services may include: technology (such as internet access, IT support, Bloomberg connections, wireless networking, e-mail archiving and disaster recovery systems), capital introduction, portfolio reporting and access to electronic communications networks. Cypress expects to use a substantial portion of these services for research and trading on behalf of these Funds, but some may be used for administrative purposes, which would not be within the safe harbor of section 28(e). Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if Cypress did not receive these services from Morgan Stanley, Cypress would be required to pay for all or some of them. Cypress is not required to direct a particular

number of trades to Morgan Stanley or to continue to use it as the custodian for the Funds that it manages, but it has an incentive to do so based on Morgan Stanley's prior and continued services.

The Funds' obligations to Morgan Stanley and any other custodian are secured by a first priority perfected security interest over all of the Funds' assets held in custody by that custodian. A custodian may transfer to itself or any of its affiliates all rights, title and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge or otherwise use all such collateral for its own purposes. If any such transfer occurs, the involved Fund will rank as such custodian's (or affiliate's) unsecured creditor. If such custodian or its affiliate becomes insolvent, a Fund may not be able to recover its securities in full. In addition, a Fund's cash that a custodian holds may not be segregated from such custodian's own cash. If that occurs, the custodian or its affiliate may use the Fund's cash in the course of the custodian's or affiliate's business and the Fund will rank as an unsecured creditor in relation to its own cash.

Cypress may pay to a broker or futures commission merchant commissions and mark-ups that exceed those that another broker or futures commission merchant might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker or futures commission merchant provides. Cypress determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Cypress's overall fiduciary duty to its clients. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity.

Cypress generally considers the amount and nature of the research, execution and other services provided by brokers as well as the extent to which the Funds that it manages, the Funds that Sword Partners manages and Oakmont's clients rely on such services, and attempts to allocate brokerage transactions on that basis. Cypress and the Other Advisers may use the investment information and other services that each receives from brokers in servicing all of their accounts. Specifically, soft dollars generated by trades for the Funds managed by Cypress may also pay for services to the Funds managed by Sword Partners and Oakmont's clients. Cypress believes, however, that allocating brokerage transactions in this manner helps it obtain research and execution capabilities that benefit its clients.

Cypress's relationships with brokers and futures commission merchants that provide soft dollar services influence its judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. Cypress has an incentive to select or recommend a broker or futures commission merchant based on Cypress's and the Other Advisers' interests in receiving soft dollar services rather than clients' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Cypress and the Other Advisers use soft dollars to pay expenses they would otherwise be required to pay themselves.

Cypress addresses these conflicts of interest by annually evaluating the trade execution services that it receives from the brokers and futures commission merchants that it uses. Such evaluation includes comparing those services to the services available from other brokers and futures commission merchants. Cypress considers, among other things:

- alternative market makers and market centers;
- the quality of execution services;
- the desirability of continuing with various soft dollar services;
- adding brokers or futures commission merchants to, or removing them from, the approved list of brokers and futures commission merchants that Cypress uses; and
- increasing or decreasing targets for each broker or futures commission merchant and the appropriate level of commission rates.

Cypress may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for the Funds that Cypress manages, the Funds that Sword manages or with Oakmont's accounts. In such event, Cypress may charge or credit a client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if Cypress were not executing similar transactions concurrently for other accounts. Cypress may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both clients.

Cypress may direct a certain amount of brokerage to a broker or futures commission merchant in return for the broker's or futures commission merchant's referral of prospective investors. Directing brokerage in exchange for investor referrals creates a conflict of interest in that Cypress has an incentive to refer its clients' brokerage business to brokers and futures commission merchants to which it might not otherwise direct transactions. During its last fiscal year, Cypress did not direct client transactions to a particular broker in return for investor referrals.

Item 13. Review of Accounts

Mr. Krystyniak manages and reviews the portfolios of the Funds managed by Cypress on a regular basis. Those reviews consider overall cash and investment management, and company and market prospects. Each investor in a Fund receives an annual report containing the Fund's audited financial statements and unaudited monthly summary reports containing estimated performance and capital account balances or share net asset values.

Item 14. Client Referrals and Other Compensation

Cypress may engage solicitors to whom it pays cash or a portion of the advisory fees paid by investors referred to it by those solicitors. In such cases, this practice is disclosed in writing to the investor and Cypress complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, if applicable.

Item 15. Custody

Not applicable.

Item 16. Investment Discretion

Cypress has discretionary authority to manage investment accounts on behalf of the Funds that it manages pursuant to a grant of authority in each Fund's limited partnership agreement or investment adviser agreement. Cypress has delegated this authority to Peak and Mr. Krystyniak as discussed in Item 4 above.

Item 17. Voting Client Securities

Cypress votes all proxies on behalf of each account over which it has proxy voting authority based on its determination of such account's best interests. In determining whether a proposal serves an account's best interests, Cypress considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

Cypress abstains from voting proxies when Cypress believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between Cypress and a client, Cypress will vote all proxies in accordance with the policy described above. If Cypress determines that this policy does not adequately address the conflict of interest, Cypress will notify the client of the conflict and request that the client consent to Cypress's intended response to the proxy solicitation. If the client consents to Cypress's intended response or fails to respond to the notice within a reasonable time specified in the notice, Cypress will vote the proxy as described in the notice. If the client objects in writing to Cypress's intended response, Cypress will vote the proxy as the client directs. If one or more of the clients for which there is such a material conflict of interest is a Fund, Cypress will address the conflict of interest in a manner that it considers generally in the best interest of that Fund and its investors.

An investor can obtain a copy of Cypress's proxy voting policy and a record of votes cast by Cypress on behalf of that client by contacting Cypress.

Item 18. Financial Information

Not applicable.

Privacy Policy

Cypress and the Funds for which it serves as general partner or investment adviser:

- collect non-public personal information about their clients and investors from the following sources:

- information received from clients or investors on applications or other forms, and
- information about clients' or investors' transactions with Cypress, its affiliates, the Other Advisers or others;
- do not disclose any non-public personal information about their current and former clients or investors to anyone, except to service providers that perform services and functions for them or the Other Advisers and as permitted by law;
- restrict access to non-public personal information about their clients and investors to their supervised persons who need to know that information to provide services to clients and investors; and
- maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.