

Part 2A of Form ADV: *Firm Brochure*

TFS Capital LLC

(referred to as “TFS”)

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This brochure provides information about the qualifications and business practices of TFS. If you have any questions about the contents of this brochure, please contact TFS at (888) 837-4446. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. TFS is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about TFS also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. TFS’s CRD number is 107811.

Item 2 Material Changes

Below is a summary of the changes to this Brochure as compared to the Brochure dated March 31, 2014.

- The assets under management were updated from \$1,723,170,000 to \$928,060,000.
- TFS's mailing address has been updated to be the same as the address of its principal office. References to the additional office located at 1800 Bayberry Court, Suite 103, Richmond, Virginia, have been deleted because the office is closed as of March 24, 2015.
- Schedule C discloses changes to the Status of Larry Eiben and Chao Chen. Each remain an owner of TFS, but neither continues to serve as a Co-Portfolio Manager as of March 1, 2015.
- Disclosure was added to describe other financial industry activities in which certain owners and employees participate.
- Disclosure in Item 9 of an order issued May 29, 2015, by the Federal Energy Regulatory Commission to Powhatan Energy Fund, LLC and other Respondents.
- Disclosure in Item 9 of a petition filed July 31, 2015, by the Federal Energy Regulatory Commission in Federal court.

Consistent with applicable rules, TFS will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of TFS's fiscal year. Furthermore, TFS will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

TFS is an SEC-registered investment adviser with its principal place of business located in West Chester, Pennsylvania. TFS also maintains an office in Crozet, Virginia. The firm began conducting business in 1997.

TFS is employee-owned and there are no individuals or entities that control 25% or more of the company that are not employees of TFS.

TFS offers the following advisory services to clients:

INVESTMENT SUPERVISORY SERVICES & PORTFOLIO MANAGEMENT FOR FUND CLIENTS

TFS currently provides services only to investment fund clients. That is, to private investment funds (also known as “hedge funds”) and open-ended investment companies (also known as “mutual funds”). The services provided to these clients can be classified as investment supervisory services given that the supervision is continuous and investment decision-making is fully discretionary.

Private Investment Funds (i.e., “Hedge Funds”) – TFS serves as managing member of Huntrise Capital Partners LLC, a private investment fund. TFS also serve as portfolio manager to Huntrise Global Partners Ltd. a Bermuda domiciled investment company. The private investment funds are continuously managed in accordance with the offering memorandums and, if applicable, operating agreement of these funds which should be referred to for a complete description of each fund’s investment objectives, investment limitations, risks, fees and other important considerations. These documents are available upon request to *qualified* investors.

Mutual Funds - TFS serves as the investment manager of the TFS Market Neutral Fund, the TFS Small Cap Fund and the TFS Hedged Futures Fund, each of which is a mutual fund registered under the Investment Company Act of 1940.

Pursuant to an investment advisory contract, TFS provides continuous and discretionary portfolio management services to these funds that are based on the investment objectives outlined in each fund’s Prospectus.

Interested investors should refer to the Summary Prospectus or Prospectus and the Statement of Additional Information (“SAI”) for important information regarding objectives, investments, risks, fees, and additional disclosures. These documents are available on-line at www.tfsfunds.com.

Prior to making any investment in the fund, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable to investment in the mutual funds.

TFS’s investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will primarily include advice on the purchase or sale of U.S. equities, closed-end funds and futures contracts. TFS may utilize the following additional securities on a more limited basis for clients as permitted by the offering documents:

- Any other exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers

- Open-ended mutual funds
- Options contracts
- Currency forward contracts
- Interests in partnerships investing in the any of the above-mentioned securities

Because some types of investments involve certain additional degrees of risk, they will only be purchased when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

AMOUNT OF MANAGED ASSETS

As of 12/31/2014, TFS was actively managing \$928,060,000 of assets on a discretionary basis.

Item 5 Fees and Compensation

TFS charges clients fees based upon assets under management. Additionally, for private fund clients, it charges a performance-based fee that is a function of the appreciation of a client's portfolio. Asset-based fees vary by client but will not exceed 3% of assets per year. The performance-based fee may vary by client but will not exceed 20% of profits.

All fees paid to TFS are paid in arrears and therefore a reimbursement of fees is not required unless a calculation error occurs. However, at the discretion of TFS, fee waivers or refunds may be provided to private fund purchasers in accordance with each fund's offering memorandum and, if applicable, operating agreement. When calculating fees, the actual returns will be based upon the realized and unrealized gains and losses in the account before taxes.

Asset-based fees for the mutual funds will be computed and accrued daily. For the private funds, asset-based fees will be computed and accrued monthly and performance-based fees will be computed and accrued quarterly. Asset-based and performance-based fees will be charged for partial periods and asset-based fees will be prorated based on the number of days (for the mutual funds) or months (for the hedge funds) invested during the period. Performance-based fees will not be prorated given that they are based on account appreciation without regard to the length of time invested.

Fee schedules for the various private investment funds managed by TFS are defined in the offering memorandums and, if applicable, operating agreement of the funds and interested investors are referred to these documents for a more complete description of the terms. The private funds' fee schedules have both a fixed and performance component. Huntrise Capital Partners LLC and Huntrise Global Partners Ltd., currently have a management fee of 1% per year of the fund's net assets. In addition, the performance fee for each fund is 20% of profits.

The fees for the mutual funds managed by TFS are described in each fund's Prospectus which should be read carefully before making an investment. Effective January 1, 2014, TFS is paid 1.65% per year for advisory services to the TFS Market Neutral Fund (reduced from 2.25% on the first \$1.75 billion in net assets and 2.15% per year on assets above \$1.75 billion). In addition, there is a contractual expense cap of 1.9% per year (excluding extraordinary expenses and certain investment-related expenses such as dividend expense on short positions, negative rebate rates, and borrowing costs, if applicable). If the fund's actual gross expenses exceed the expense cap, then TFS will reimburse the fund for any overage. Effective January 1, 2014, the TFS Small Cap Fund pays TFS 1.15% per year for advisory services (reduced from 1.25%). In addition, there is a contractual expense cap of 1.50% per year

(excluding extraordinary expenses and certain investment-related expenses such as borrowing costs, if applicable). Effective January 1, 2014, the TFS Hedged Futures Fund pays TFS 1.50% per year for advisory services (reduced from 2.00%). In addition, there is a contractual expense cap of 1.80% per year (excluding extraordinary expenses and certain investment-related expenses such as borrowing costs, if applicable). For a complete description of the fees, investors are referred to the funds' Prospectus which should be read before making an investment. The fee paid by mutual fund shareholders will reduce the net asset value of their shares.

Brokerage firms, mutual fund families, annuity issuers, trust companies, and other custodians/financial intermediaries selected by TFS and therefore utilized by TFS clients may charge sales loads, redemption fees, commissions, exchange fees, and management fees that will be paid by the client. In certain investment structures, including investment funds, these fees will not be disclosed to the investor or shareholder and will appear only in the form of a reduction in investment returns. All of these third-party fees are in addition to any fees charged by TFS. Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

Limited Negotiability of Advisory Fees: Although TFS has established the aforementioned fee schedule(s), TFS retains the discretion to negotiate alternative fees on a client-by-client basis pursuant to federal securities laws and fund offering documents. This includes fund clients as well as the separate purchasers of private investment fund shares/interests pursuant to the offering documents of each fund. In the event that a fund client or individual purchaser of private fund shares/interests requests an alternative fee schedule, client or purchaser facts and circumstances are considered on a case-by-case basis in determining the fee schedule. Considerations include, but are not limited to, the sophistication of the client, the amount of assets to be placed under management, anticipated future additional assets, the presence of related accounts and specified or anticipated servicing requirements.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Discounts: Discounts, not generally available to TFS's advisory clients or private fund investors, may be offered to associated persons of the firm, as well as, family members and friends of associated persons.

GENERAL INFORMATION

Termination of the Advisory Relationship: The advisory agreement for the mutual funds managed by TFS is reviewed and re-approved, or terminated, annually by the Board of Trustees of the TFS Capital Investment Trust. The management agreements for the private funds may be terminated by the managing member (for Huntrise Capital Partners LLC) or by the board of directors (for Huntrise Global Partners Ltd.).

Minimum Account Requirements: All of the funds managed by TFS may suggest, or require, a minimum investment. These amounts, if any, would be included in the offering memorandum or Prospectus for the relevant fund. TFS may alter the minimum on a client-by-client or purchaser-by-purchaser basis at its sole discretion. TFS may group certain related client accounts for the purposes of achieving the minimum account size requirements.

ERISA Accounts: The assets of Huntrise Global Partners Ltd. are deemed to be "plan assets" according to the Employee Retirement Income and Securities Act ("ERISA") and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, TFS is deemed to be a fiduciary to purchasers that are employee benefit plans or individual retirement accounts (IRAs). As a fiduciary, TFS is subject to specific duties and obligations under ERISA and the Internal Revenue Code that

include, among other things, restrictions on certain types of transactions.

Limited Prepayment of Fees: Under no circumstances does TFS require or solicit payment of fees in advance of services rendered.

Item 6 Performance-Based Fees & Side by Side Management

As disclosed in Item 5 of this Brochure, TFS accepts a performance-based fee from certain private fund clients. Such a performance-based fee is calculated based on a share of capital appreciation of the assets of the client. If both a fixed fee and performance fee are charged to a given client, then the fixed fee will be assessed prior to calculating the performance-based fee.

The fee structure that is a function of profits will be offered only to clients who are “Qualified Clients” and all performance-based fees will be charged in accordance with Rule 205-3 of the Investment Advisors Act of 1940 and/or applicable state regulations. The fees will not be offered to any purchaser in a state in which such fees are prohibited.

Performance-based fees that are a function of profits utilize a “high water mark” in which investors do not pay performance fees until the account balance exceeds the highest value achieved during a prior fee calculation date (i.e., the last day in prior pay periods). As such, a “loss carryover” may need to be recorded on the books of the funds for certain purchases that suffer a capital loss.

A performance-based fee structure may create an incentive for TFS to make riskier or more speculative investments than would be the case when using a compensation arrangement based upon a pre-determined asset-based fee. This type of activity may result from TFS’s desire to increase the amount of compensation per dollar managed.

Furthermore, as TFS also has clients who do not pay performance-based fees, TFS has an incentive to favor accounts that do pay such fees because compensation TFS receives from these clients is more directly tied to the performance of their accounts. As such, TFS has adopted a Code of Ethics and other compliance-related policies to mitigate issues that may arise due to potential conflicts of interest.

Item 7 Types of Clients

TFS provides advisory services to the following types of clients:

- Investment companies (i.e., mutual funds)
- Other pooled investment vehicles (i.e., hedge funds)

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

METHODS OF ANALYSIS

TFS attempts to accomplish the objectives of its various clients through the use of proprietary factor models that attempt to predict the price movement of a variety of investment securities. With the assistance of its models, TFS will periodically reallocate a client’s assets to the investments that are predicted to best enable the client to achieve its objectives.

The factors utilized by TFS could be classified as “fundamental,” “technical” or simply “other quantitative factors.”

Fundamental Factors. These factors are generally seeking to assess the relative value of a security by looking at certain factors (e.g., financial statement data for equity securities) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell) relative to its peers.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the financial factors considered in evaluating the stock.

Technical Factors. These factors generally involve an evaluation of the past price movements of securities and other trade data from various markets. This data is analyzed in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement. Similarly, financially sound companies may be sold, or sold short, at times when financial data does not support the action.

Other Quantitative Factors. These factors do not neatly fit into the classic “fundamental” or “technical” descriptions. Rather, these factors are simply quantitative factors that, through historical analysis, have been found to be predictive of future security performance.

A risk in using quantitative factors, which also applies to all factors used by TFS, is that the models utilized may be based on assumptions that prove to be incorrect or historical relationships that do not persist into the future.

INVESTMENT STRATEGY RISK FACTORS

Given its method of analysis, described above, and its investment approach (including long-short investing), TFS believes the following risk disclosures may be applicable for this general disclosure Brochure:

Small Company Stock Risk. Small capitalization stocks typically are more volatile and less liquid than larger stocks. To the extent that small capitalization stocks are utilized for a given client, that portfolio will likely experience greater volatility and be subject to greater inherent risk than a portfolio comprised of larger companies.

High Portfolio-Turnover Risk. The TFS investment approach involves buying or selling securities that are held for a short time (i.e., typically substantially less than one year).

Frequent trading activity in a portfolio, poses a certain degree of liquidity risk. For example, it may be difficult to exit a position as quickly as desired which may adversely impact performance. Moreover, the frequent trading will result in increased brokerage and other transaction-related costs relative to strategies with less frequent trading. Lastly, high turnover results in less favorable tax treatment as a large portion of any account appreciation will likely take the form of taxable capital gains (including short term capital gains).

Quantitative Strategy Risk. The quantitative models used by TFS may be similar to the models used by other quantitative managers. To the extent that they are similar, the price movement of the TFS-managed portfolios may have a high degree of correlation to other quantitative funds. This potential portfolio overlap could lead to periods of high volatility, especially in the event that other managers choose to rapidly sell securities or close short positions.

Management Risk & Factor-Model Risk. The success of TFS's managed portfolios is dependent on the ability of its portfolio-management team and its proprietary factor models. If the team or the models are not successful, clients may experience losses regardless of the performance of the overall investment universe.

Data Accuracy Risk. TFS's analysis methods rely on the assumption that the companies whose securities TFS purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While TFS may, on occasion, develop and utilize certain procedures to determine if data may be incorrect, there is always a risk that TFS's analysis may be compromised by inaccurate or misleading information.

Process Automation Risk. TFS's investment process requires the use of quantitative models and frequent portfolio rebalancing. Given this investment process, TFS looks for opportunities to gain efficiencies by automating various steps in the investment process. That is, it often creates and uses proprietary or third-party software that may do any or all of the following: (1) gather the required data for stock analysis, (2) quantitatively evaluate and/or rank stocks, or other securities, as needed for portfolio rebalancing decisions, and (3) execute the required trades. TFS's extensive use of this technology presents certain unique risks. Specifically, the computer software programs may fail or may have errors that go undetected. If issues are present in the data used by TFS or if there are errors in its computer software, there may be adverse impacts to clients.

Short Sales Risk. TFS also engages in "short" sales on behalf of many of its clients. In this instance, TFS will borrow shares of a stock for a client's portfolio from someone who owns the stock on a promise to replace the shares in the future. Those borrowed shares are then sold. Or, in the case of futures contracts, TFS may simply open a short position in a given contract without borrowing the contract provided sufficient collateral is in place at the broker. The short position can then be "closed" when TFS buys and returns the shares to the original owner or, in the case of futures contracts, simply closes the short position by purchasing an appropriate number of contracts. TFS engages in short selling based on a belief that a security will drop in price after TFS has sold the security. If TFS is correct and the security price has gone down since the security was sold, the client account realizes the profit. A short sale can also be beneficial in a long-short fund context if the short positions appreciate less than the long positions in a given portfolio thereby allowing the client to capitalize on the spread.

Short selling results in some unique risks:

- *Losses can be infinite while gains are limited.* A short sale loses when the security price rises, and a security is not limited (at least, theoretically) in how high it can go. On the other hand, the price of a security cannot fall below \$0, which limits a short sale's potential upside.
- *Short squeezes can wring out profits.* As security prices increase, short seller losses may also increase as sellers rush to buy the security to cover their positions. This short-term increase in demand (often referred to as a "short squeeze"), in turn, may further drive the prices up.
- *Timing.* Even if TFS is correct in determining that the price of a security will decline, or appreciate more slowly than its peers, TFS runs the risk of incorrectly determining when the price movement will take place. Although a security is overvalued, it could conceivably take some time for the price to adjust; during which the client may be vulnerable to interest expense, margin calls and opportunity cost.

Margin Transactions Risk. In certain situations and for certain clients, TFS may purchase securities for a client's portfolio with money borrowed from a bank or brokerage account provided, however, that its mutual fund clients may not borrow from brokers. This tactic allows the client to own more stock, or

short more stock, than would otherwise be possible with the available cash in a given fund.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in an account minus the amount owed to the broker falls below a certain level, the broker will issue a “margin call”, and TFS will be required to sell positions in the portfolio or add more cash to the account. In such circumstances, it is possible that, a client may lose more money than was originally invested.

Market Neutral Strategy Risk. During a “bull” market, when most equity securities and long-only funds are increasing in value, clients that pursue a market neutral strategy will hold short positions that will likely cause underperformance compared to the overall U.S. equity market and many other funds. This underperformance is an expected effect of the ongoing hedging techniques that are a core component of a market neutral strategy.

Forward and Futures Contract Risk. The successful use of forward and futures contracts depends upon TFS’s skill and experience with respect to such instruments and is subject to special risk considerations, including:

- imperfect correlation between the change in market value of the instruments used by TFS and the price of the forward or futures contract;
- possible lack of a liquid secondary market for a forward or futures contract and the resulting inability to close a forward or futures contract when desired;
- losses caused by unanticipated market movement, which are potentially unlimited;
- TFS’s inability to correctly predict the direction of securities prices, interest rates, currency exchange rates and other economic factors;
- the possibility that a counterparty to a forward contract will default in the performance of its obligations;
- the possibility that the client may have insufficient cash and have to sell securities from its portfolio to meet the daily variation margin requirements at a time when it may be disadvantageous to do so;
- the possibility that a failure to close a position may result in delivery of an illiquid commodity to the client or that rapid selling to avoid delivery may result in unfavorable execution prices; and
- possible inefficiencies that are created by the need to “roll contracts” (i.e., sell out of a contract that is nearing delivery or settlement in favor of a contract with a delivery or settlement date that is further into the future).

Risk of Loss. Securities investments are not guaranteed and clients may lose money.

Additional Disclosures – Refer to Offering Documents. A complete description of all risk factors applicable to TFS clients is beyond the scope of this document. Moreover, each investment fund has risks that are unique to it. Please refer to the offering memorandum and operating agreement or, for mutual fund clients, the Prospectus and Statement of Additional Information for a complete description of the investment strategies and risks applicable to a given fund.

Item 9 Disciplinary Information

TFS is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management. In light of this requirement, TFS has determined to disclose the following:

By an Order Assessing Civil Penalties issued May 29, 2015 (Docket No. IN15-3-000) (Order), the Federal Energy Regulatory Commission (FERC) found that from June 1, 2010 to August 3, 2010, Powhatan Energy Fund, LLC (Powhatan) and additional Respondents, violated section 222 of the Federal Power Act and section 1c.2 of the FERC's regulations, which prohibit energy market manipulation, "through a scheme to engage in fraudulent Up-To Congestion (UTC) transactions in PJM Interconnection L.L.C.'s energy markets to garner excessive amounts of certain credit payments to electricity transmission customers." The Order required Powhatan to pay disgorgement of approximately \$3.47 million and a civil monetary penalty of approximately \$16.8 million within 60 days of the Order date. The Order also imposed civil monetary penalties and disgorgement on the other Respondents. Because Powhatan and the other Respondents did not make payment within 60 days, on July 31, 2015, FERC filed a Petition For An Order Affirming The Federal Energy Regulatory Commission's May 29, 2015 Order Assessing Civil Penalties Against Powhatan Energy Fund, LLC, HEEP Fund, Inc., Houlian "Alan" Chen, and CU Fund, Inc. in Federal court (Docket No. 3:15CV0452) in order to collect. The Federal court will review the case *de novo* to determine if Powhatan and the other Respondents violated FERC's anti-market manipulation rules and are liable for the assessed penalties and disgorgement.

None of the Respondents, including Powhatan, is an advisory affiliate of TFS. Powhatan was formed in March 2010 to invest in UTC transactions pursuant to an investment advisory agreement with one of the other Respondents. Mr. Richard Gates, Mr. Kevin Gates and Mr. Lawrence Eiben serve as officers of LSE Capital Management LLC (LSE), Powhatan's managing member. Certain owners and employees of TFS, including Messrs. Gates and Eiben, directly or indirectly invested in Powhatan. Messrs. Gates are each owners, members and co-portfolio managers of TFS and Mr. Eiben is an owner and member of TFS. The Order did not name Messrs. Gates or Eiben or LSE as Respondents. The Order made factual findings regarding Mr. Kevin Gates, including that he "understood and supported" the Respondents' utilization of UTC transactions. Powhatan disputes the factual and legal findings in the Order and intends to vigorously defend against the Order in Federal court.

Item 10 Other Financial Industry Activities and Affiliations

TFS and its related persons have no other industry affiliations beyond the funds listed below.

Mutual Funds:

TFS previously disclosed in "Advisory Business" (Item 4) and "Fees and Compensation" (Item 5) of this Brochure that the firm is the investment adviser to the TFS Market Neutral Fund, the TFS Small Cap Fund and the TFS Hedged Futures Fund, three investment companies registered under the Investment Company Act of 1940. TFS is related to these mutual funds in that it serves as investment adviser to each of the funds, two employees of TFS serve as trustees for the funds' business trust (i.e.,

the TFS Capital Investment Trust) and three employees of TFS are officers of the TFS Capital Investment Trust.

For additional information, the Prospectus and Statement of Additional Information are available online at: www.tfscapital.com. Prospective investors should review these documents carefully before making any investment in the mutual funds.

As a result of certain regulatory changes adopted by the Commodity Futures Trading Commission, TFS registered with the CFTC as a commodity pool operator, effective January 1, 2013.

Private Investment Funds (a/k/a, “Hedge Funds”):

TFS serves as managing member of the private fund that is structured as a limited liability company (i.e., Huntrise Capital Partners LLC) and is the portfolio manager to a Bermuda-domiciled investment company (i.e., Huntrise Global Partners, Ltd.). Three of the employees of TFS also serve as officers and directors of Huntrise Global Partners Ltd.

Prospective investors interested in investing in the private funds should refer to each fund’s offering memorandum, including the suitability requirements, before making any investment.

A complete list of the managing members of these entities is disclosed on Schedule D of Form ADV, Part 1. Part 1 of TFS’s Form ADV can be accessed by following the directions provided on the Cover Page of this Brochure.

Certain employees or owners of TFS have, from time to time, also been involved in managing private investment funds that are not clients of TFS. Such funds have been created for the purpose of managing proprietary capital of employees of TFS or for friends and family of employees of TFS. These vehicles have not charged advisory fees in the past. Additional such vehicles may be formed in the future.

Certain employees and certain owners of TFS are also involved in managing a private investment fund formed in December 2014. This vehicle has been created for the purpose of managing proprietary capital of owners of TFS or for friends and family of owners or employees of TFS. The fund may also issue interests to other investors. This vehicle does not presently, but may in the future, charge advisory fees. This vehicle engages consultants who are not employees of TFS and such individuals share office space with TFS employees. This vehicle may hire employees in the future.

Though not managed or supervised by TFS, purchases and sales of interests in these vehicles will be subject to the reporting requirements for personal securities transactions as set forth in the TFS compliance manual.

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

TFS’s has adopted a Code of Ethics which sets forth high ethical standards of business conduct that TFS requires of its employees, including compliance with applicable federal securities laws.

TFS and its personnel owe a duty of loyalty, fairness and good faith towards TFS clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code.

The TFS Code of Ethics includes policies and procedures for the review of personal securities trading including the gathering of quarterly securities transactions reports, as well as initial and annual securities holdings reports that must be submitted by the firm’s access persons. Among other things,

TFS's Code of Ethics requires the prior approval of personal securities transactions, other than transactions of shares of mutual funds. The Code also provides for oversight, enforcement and recordkeeping provisions.

TFS's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While TFS believes that it does not have any particular access to non-public information and that its investment process is not likely to give rise to an issue in this regard, all employees are informed that any such information may not be used in a personal or professional capacity.

A copy of TFS's Code of Ethics is available upon request by calling TFS at (888) 837.4446.

TFS's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of TFS employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

TFS and individuals associated with TFS may, in certain limited circumstances, buy or sell for their personal accounts securities identical to those recommended to TFS's clients only upon pre-clearance from the TFS Chief Compliance Officer. As such, in certain limited circumstances, any related person(s) may have an interest or position in a certain security which may also be recommended to a client.

TFS endeavors to always act in the best interest of its clients and to place its clients' interests ahead of its own interests. In regard to portfolio management activities, TFS endeavors to not consistently or materially advantage one client over another if the clients have competing objectives or if one client pays more in compensation than another client. Client accounts will be managed independently in an effort to meet the unique objectives of each client. Lastly, TFS requires each portfolio manager and each owner who is actively engaged in the daily operation of the business to invest at least 50% of his liquid net worth in the funds that TFS manages. This requirement helps to further align the interests of TFS with those of its clients.

Item 12 Brokerage Practices

TFS may execute, clear and settle transactions (whether or not involving mutual funds, equities or other securities) with firms that are registered under the U.S. Securities and Exchange Act of 1934 as broker-dealers ("brokers"). The TFS Compliance Manual contains detailed procedures covering the trading of securities including its policies for trade allocation, trade aggregation and directed brokerage. A brief summary of these policies is described below.

TFS may choose the brokers to be utilized and will make this determination by evaluating a number of factors, including, but not limited to: reliability, reputation, responsiveness, perceived operational and financial stability, brokerage commissions, access to desired portfolio investments, ability to execute trades, technology and location of operations. TFS will determine reasonableness of commissions through price comparisons with other brokers providing similar services but will not necessarily choose the brokers with the lowest commissions. TFS has no fixed internal brokerage allocation procedures designating specific percentages of brokerage commissions to particular firms. TFS will seek best execution in transactions for its clients. TFS will not adhere to any rigid formulas in making its selection of brokers, but will weigh a combination of the above-mentioned factors. TFS generally aggregates orders for client accounts. When aggregation is not used, TFS must exercise its fiduciary duty to ensure that no client is consistently or materially advantaged over another. TFS does not utilize

soft-dollar accounts. In addition, TFS will not receive any form of compensation, directly or indirectly, from any source on account of purchases or sales of securities for its clients' accounts.

Richard Gates, a principal of TFS and a Vice President of TFS Capital Investment Trust, serves as an independent Director of Interactive Brokers LLC which is one of the brokers that was selected by TFS in the past. Based on factual determination by TFS that Mr. Gates does not have a controlling influence over Interactive Brokers management or policies, TFS does not believe that Interactive Brokers is an affiliate. Nevertheless, TFS subjects transactions between its clients and Interactive Brokers, if any, to the same procedures that would be applicable if those transactions were with an affiliate.

TFS has adopted a trade error policy which has been approved by its clients. For purposes of this policy, a "trading error" is an error in the trading process that is directly related to the placement, execution or settlement of a trade for a client's account. The analysis and portfolio management processes at TFS are not part of the trading process or subject to this trade error policy. TFS will report all trade errors to its clients and will reimburse its clients for any material error. The applicable definition of materiality is determined by TFS and approved annually by its clients.

Item 13 Review of Accounts

Given TFS's quantitative investment process, there is no pre-determined interval upon which account reviews are made. Rather, client accounts are generally reviewed daily by the automated systems developed by TFS and, in most situations, trades are executed without manual intervention from TFS employees. While TFS employees may, in limited circumstances, manually execute trades, the primary role of the TFS employees that are involved in portfolio oversight is to determine if the automated systems are functioning correctly. Process reviews and automated trade executions will generally be performed daily.

The Portfolio Management team and the trading department are responsible for overseeing the implementation of the strategies and may perform daily reviews or execute trades. Members of the information technology department also indirectly assist in implementing the required trades given their role in designing and implementing the proprietary trading software.

Reporting for the private investment funds and the registered investment companies will vary by entity and investors should refer to the appropriate offering documents for reporting requirements for these funds. For each private investment fund, audited financial statements will be provided to investors within 120 days of the end of the fund's fiscal year. Please note that the actual reporting provided to each investor may be more extensive than the required reporting pursuant to the offering documents.

Item 14 Client Referrals and Other Compensation

It is TFS's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to the firm.

It is TFS's policy not to accept or allow TFS's related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services TFS provides to its clients.

Item 15 Custody

TFS does not have actual custody of any client account or any client funds or securities.

TFS may be deemed to have custody under Investment Advisers Act Rule 206(4)-2, as amended, in relation to the private funds it manages because it may have access to private investment fund assets or securities by virtue of its role as managing member and portfolio manager. Actual custody of all private fund assets is provided by a qualified custodian independent of TFS. TFS complies with Rule 206(4)-2 in these instances by ensuring that investors are sent audited financial statements in accordance with United States generally accepted accounting principles, within 120 days of the fiscal year end of each fund.

Item 16 Investment Discretion

Clients hire TFS to provide discretionary asset management services, in which case TFS places trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

TFS's discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

The fund clients of TFS provide discretionary authority to TFS by an investment advisory agreement, portfolio management agreement or operating agreement.

TFS requires that it be provided with written authority to make the aforementioned determinations.

Item 17 Voting Client Securities

TFS maintains a proxy voting policy that dictates how TFS votes proxies for all client accounts. When voting, TFS will vote proxies in the best interests of its clients and in accordance with its established policies and procedures. TFS will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by TFS that was material to making a decision how to vote proxies, and a copy of each written client request for information on how TFS voted proxies. If TFS has a conflict of interest in voting a particular action, it will notify the client of the conflict and will rely on the advice of an independent proxy advisory firm to cast a vote.

Clients may obtain a copy of TFS's complete proxy voting policies and procedures by contacting TFS by telephone at (888) 837-4446. If any client requests a copy of TFS's complete proxy policies and procedures or how TFS voted proxies for a given client account, TFS will promptly provide such information to the client.

TFS may, but is not obligated to, advise or act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct TFS to transmit copies of class action notices to the client or a third party. Upon such direction, TFS will make commercially

reasonable efforts to forward such notices in a timely manner.

Item 18 Financial Information

Under no circumstances does TFS require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, TFS is not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, TFS is also required to disclose any financial condition that is reasonably likely to impair its ability to meet its contractual obligations. Pursuant to this requirement, TFS has nothing to report.

TFS has not been the subject of a bankruptcy petition at any time during the past ten years.