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FORM ADV PART 2A DISCLOSURE BROCHURE

March 30, 2015

This brochure provides information about the qualifications and business practices of Francis Capital Management, LLC (“Adviser”). If you have any questions about the content of this brochure, please contact us at (310) 260-9708 or at jfrancis@franciscapital.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

Adviser refers to itself as a “registered investment adviser” in materials distributed to current and prospective clients. As a registered investment adviser with the SEC, Adviser is subject to the rules and regulation adopted by the SEC under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser is not an indication that Adviser or its directors, officers, employees or representatives have attained a particular level of skill or ability.

ITEM 2: MATERIAL CHANGES

This Brochure, dated March 30, 2015 is being revised to reflect the following material changes:

Item 4 – Advisory Services – updated to reflect the amount of discretionary assets under management for the firm as of December 31, 2014 is \$75,700,000.00.

The previous version of this Brochure is dated May 14, 2014. The Adviser encourages each client to read the Brochure carefully and to call us with any questions you may have.

Pursuant to SEC Rules, the Adviser will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of the Adviser's fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as the Adviser experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover.

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ITEM 4: ADVISORY BUSINESS

A. Advisory Firm

Adviser is a California limited liability company that commenced operation in October 2000, and is majority owned and controlled by John P. Francis.

Adviser is registered with the Securities and Exchange Commission as an investment adviser and conducts business in one or more states, as reflected in the Adviser's Part 1 of Form ADV, a copy of which can be found on www.adviserinfo.sec.gov.

B. Specialization

Adviser primarily provides investment advisory services with respect to publicly traded securities, which may include but not be limited to the purchase, sale, short sale, or exchange of both U.S. and foreign equities, bonds, options and other derivative instruments. Please refer to Item 8 for further details on the Adviser's investment strategies.

C. Advisory Services

Adviser provides investment advisory services to affiliated private investment funds (each, a "Fund") and individually managed accounts (collectively, "Managed Accounts"). The Funds and Managed Accounts are FCM's clients; individual investors in the Funds are not clients. Investment advisory services are offered primarily on a fully discretionary basis, unless otherwise agreed to between the Adviser and a client.

Adviser will manage the Managed Accounts independently based on a determination of each client's financial situation, needs and investment objectives and pursuant to an investment management agreement with each client, which may include certain investment restrictions imposed by clients.

Prior to engaging the Adviser to provide investment advisory services, a client will be required to enter into one or more written agreements with the Adviser setting forth the terms and conditions under which the Adviser shall render advisory services (collectively the "Agreement").

In accordance with Rule 204-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), the Adviser will provide a disclosure brochure (Form ADV Part 2A) and one or more brochure supplements (Form ADV Part 2B) to each client or prospect prior to or contemporaneously with the execution of an investment advisory agreement.

The Agreement between the Adviser and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Adviser's annual fee shall be prorated through the date of termination as defined in the Agreement and any remaining balance shall be charged to the client, as appropriate, in a timely manner.

Neither the Adviser nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of the Adviser shall not be considered an assignment.

D. Wrap Fee Programs

The Adviser does not participate in or sponsor any wrap programs.

E. Assets Under Management

As of December 31, 2014, the following represents the amount of Adviser's clients' assets under management on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management
Discretionary	\$75,700,000.00
Non-Discretionary	\$0.00
Total:	\$75,700,000.00

ITEM 5: FEES AND COMPENSATION

Private Investment Funds

A. Types of Fees

Under Adviser's investment management agreement with each Fund, Adviser will receive an annual management fee equal to one and one half percent (1½%) per annum of the monthly account balance of each Fund investor, as fully outlined in each Fund's offering documents. Adviser, in its discretion, may waive or reduce the management fee as to all or any of the investors in the Fund or agree with an investor to waive or alter the management fee as to that investor.

Under Adviser's investment management agreement with each Fund or the Fund's charter documents, as applicable, Adviser will also receive annual performance-based compensation in arrears equal to 20 percent of the net capital appreciation (i.e., capital appreciation less capital depreciation) of each investor's account in the Fund. The performance-based compensation is payable only if, and to the extent that, the net capital appreciation of the investor's account exceeds any net capital depreciation accumulated in prior years (as adjusted for withdrawals of capital). Adviser, in its discretion, may waive or reduce the performance-based compensation as to all or any of the investors in the Fund or agree with an investor to waive or alter the performance-based compensation as to that investor. Please refer to Item 6 below for further information regarding performance based fees.

Lower fees for comparable services may be available from other sources. The expenses of a Fund, including Adviser's management fee and performance-based compensation may constitute a higher percentage of average net assets than would be found in other investment vehicles. Management fees and performance-based compensation are generally calculated by the Funds' administrator and reviewed for accuracy by Adviser.

B. Payment Method

The management fee will be paid by each Fund quarterly in arrears by deduction, during the month subsequent to each calendar quarter, of the accrued management fee that has been charged to each investor's account in the Fund. The performance-based compensation is paid by deduction, during the month subsequent to each calendar year in which performance-based compensation is earned, of the accrued performance-based compensation that has been charged to each investor's account in the Fund.

If an investor withdraws all or a portion of its account in a Fund on a date other than the end of a calendar quarter, a prorated management fee will be deducted from the amount withdrawn for the period from the preceding quarter-end to the date of withdrawal. If an investor withdraws all or a portion of its account in a Fund on a date other than December 31, payment of performance-based compensation will be made on the amount withdrawn for the period from the January 1 in the year of the withdrawal to the date of withdrawal.

C. Costs and Expenses

Each Fund bears all expenses of its organization and operation, expenses incurred in the purchase and sale of investments, and accounting fees, as determined by Adviser. Such expenses include but are not limited to: (i) brokerage and execution charges, commissions, custodial charges, and fees for quotation and other data services; (ii) fees related to accounting, trading, portfolio management and risk management systems; (iii) research subscriptions and expenses; (iv) broken trade and broken deal fees; (v) expenses to register securities and transfer taxes; (vi) costs and expenses incurred for the purpose of protecting and enhancing the value of the Fund's investments (including the costs of instituting and defending litigation); (vii) taxes, filing and registration fees of the Fund; (viii) all costs, fees and expenses relating to investor communications, relations, accounting and the preparation and mailing of financial, tax and performance information to investors; (ix) fees, costs and expenses incurred in connection with borrowings; (x) administration fees, costs and expenses; and (xi) fees for attorneys, accountants, consultants and other professionals or experts. Adviser may, at its discretion, choose to pay or reimburse the Fund for all or any portion of such expenses. In such event, Adviser may be reimbursed at a later date by the Fund for such expenses borne by Adviser. For additional information regarding brokerage and execution fees, see Item 12 below.

Fund investors may also indirectly bear a portion of any fees or expenses charged by investment funds (including mutual funds or other hedge funds) in which the Fund invests or other investment managers to which Adviser allocates a portion of Fund assets.

D. Pre-payment of Fees in Advance

Adviser does not charge fees in advance.

E. Sales Compensation

Neither the Adviser nor any of its supervised persons receive any sales commissions in connection with sales of interests in a Fund. However, Mr. Francis, as majority owner of the Adviser, along with Ms. Susanne Meline, who is the minority owner of the Adviser, receives an indirect benefit from the fees received by the Adviser from the Funds. Please refer to Item 10 for further information.

Individually Management Accounts

A. Types of Fees

Fees paid to Adviser by Managed Account clients are negotiable and will vary. Fees will be set forth in Adviser's investment management agreement with each Managed Account client and determined based on the client's needs, the complexity of the client's investment objective and the number of portfolio restrictions.

Under Adviser's investment management agreement with a Managed Account client, Adviser will receive an annual management fee from the Managed Account client equal to a percentage, typically between 1% and 2%, of the fair market value of the assets under management in the Account. Adviser may also receive annual performance-based compensation in arrears equal to a percentage (generally 10%) of the net capital appreciation (i.e., capital appreciation less capital depreciation) of the assets held in the Managed Account of a client that meets the qualification requirements provided in Rule 205-3 under the Investment Advisers Act. The security prices used to calculate performance-based compensation are obtained from a third-party pricing service, and the prices may vary from those shown on Accounts' custodian statements. The performance-based compensation is payable only if, and to the extent that, the net capital appreciation of the Managed Account assets exceeds any net capital depreciation accumulated in prior years. Please refer to Item 6 below for further information on performance based fees.

Lower fees for comparable services may be available from other sources. The expenses of the Account, including Adviser's management fee and performance-based compensation, may constitute a higher percentage of average net

assets than would be found in other investment vehicles.

B. Payment Method

The management fee charged to Managed Accounts is paid quarterly in arrears by submission of an invoice to the investor after each calendar quarter end. If a Managed Account client terminates the investment management agreement on a date other than the end of a calendar quarter, the management fee will be prorated for assets held in the Managed Account for less than a full quarter. The performance-based compensation will be paid annually by submission of an invoice to the Managed Account client after each 12-month period in which performance-based compensation is earned. If a Managed Account client terminates the investment management agreement on a date other than the end of the 12-month period in which performance-based compensation is earned, then performance-based compensation will be made on the net capital appreciation of the Managed Account assets for the period from the start of the applicable 12-month period to the date of termination.

C. Costs and Expenses

In addition to the management fee, and performance-based compensation, if any, a Managed Account client is responsible for any fees, expenses or charges incurred by or on behalf of the Managed Account related to (i) custodial services provided for the Account, (ii) transactions effected for the Managed Account, including brokerage and execution charges, markups and commissions, and (iii) any other service provided for the Managed Account by any person other than Adviser. Managed Accounts may also indirectly bear a portion of any fees or expenses charged by investment funds (including mutual funds or other hedge funds) in which the Managed Account invests. For additional information regarding brokerage and execution charges, see Item 12 below.

D. Pre-payment of Fees in Advance

Adviser does not charge fees in advance.

E. Sales Compensation

Neither the Adviser nor any of its supervised persons receive any commissions in connection with transactions placed in Managed Accounts.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Adviser receives performance-based compensation from each Fund's investor, and also receives performance-based compensation with respect to certain Managed Accounts that it manages. Compensation based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Advisers Act and to clients that meet such Rule's definition of "qualified client". Performance-based compensation may create an incentive for Adviser to cause a Fund or Managed Account to make investments that are riskier than it would otherwise make. In addition, since Adviser's performance-based compensation is calculated on a basis which includes unrealized appreciation of the assets held by the Fund or in a Managed Account, it may be greater than if such compensation were based solely on realized gains. The amount of the performance fee and how it is calculated vary depending on a number of factors, and is therefore, separately negotiated with each Managed Account client.

Managed Account clients and investors in the Funds should understand that certain conflicts of interest exist due to performance fee arrangements, which include:

- (i) performance fee arrangements may create an incentive for the Adviser to make investments that are more risky or more speculative than might be the case in the absence of a fee based on performance;
- (ii) the Adviser may receive compensation with regard to unrealized appreciation as well as realized gains on assets in an investor's account or Managed Account; and

- (iii) The fees charged by the Adviser may be higher or lower than fees charged by other advisers for comparable services.

To address these conflicts, the Adviser has adopted certain procedures regarding portfolio management and trading designed to mitigate the effects of these conflicts. Additionally, in the event that some client accounts to which Adviser provides investment advisory services are charged performance-based compensation but not others, a conflict may arise where Adviser has an incentive to treat some client accounts preferentially as compared to others because those client accounts pay performance-based compensation. Conflicts also may arise because Adviser or one of its portfolio managers or affiliates has an interest in the client account. Adviser has adopted a policy to allocate portfolio transactions and investment opportunities across multiple client accounts that are similarly managed on a fair and equitable basis over time. Taking into consideration each client's risk tolerance, current security concentration, and any client-imposed investment restrictions, similarly-managed accounts that can participate in a transaction may share the same price on a pro rata allocation basis in an attempt to mitigate any conflict of interest. As noted in Item 4 above, however, Adviser may or may not purchase the same securities for all clients. Investment opportunities are allocated among similarly-managed accounts to maintain consistency of portfolio strategy, taking into account cash availability, investment restrictions and guidelines, and portfolio composition. Accounts are reviewed monthly to ensure that accounts are treated fairly.

Since management fees and performance-based compensation paid to Adviser are based on the net asset value of a Fund or Managed Account, a conflict may also arise when Adviser or a related person is valuing the assets held by the Fund or in a Managed Account. If necessary, certain assets will be valued at fair value by Adviser's Valuation Committee in accordance with U.S. generally accepted accounting practices.

Importantly, as part of its fiduciary duty to all clients, the Adviser and its employees will endeavor at all times to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of clients.

ITEM 7: TYPES OF CLIENTS

Private Investment Funds

Adviser organized and serves as investment manager to the following Funds: Catalysis Partners, LLC, a Delaware limited liability company ("Catalysis Partners") and Catalysis Offshore, Ltd., a Cayman Islands exempted company ("Catalysis Offshore").

Adviser generally requires investors in Catalysis Partners to make a minimum initial investment of \$500,000 and to maintain a minimum account balance of \$500,000 in the Fund. Adviser generally requires investors in Catalysis Offshore to make a minimum initial investment of \$1,000,000 USD and to maintain a minimum account balance of \$1,000,000 USD in the Fund. Fund investors generally must be "accredited investors" under Regulation D and eligible to enter into performance-based compensation arrangement under the Rule 205-3 under the Investment Advisers Act. Investors in Catalysis Offshore must also be "qualified purchasers" under Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

Adviser generally requires Fund investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in the Fund. The minimum contribution and investor requirements may be waived by Adviser in its sole discretion, provided that each investor must be eligible to pay performance-based fees.

Individually Managed Accounts

Adviser generally requires individually managed account clients to initially provide and maintain a minimum of \$2,000,000 in assets under management. To the extent that performance-based compensation will be charged, such

clients generally must be eligible to enter into performance-based compensation arrangement under Rule 205-3 under the Investment Advisers Act. The account minimum and investor requirements may be waived by Adviser in its sole discretion.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Investment Analysis

Adviser seeks, on behalf of the Funds and any Managed Accounts, to achieve the investment objective of each Fund and the investment goals and guidelines of each Account client. These investment goals generally include generating returns by executing a strategy of making concentrated investments utilizing a value-based, event-driven investment philosophy. Following this approach, Adviser seeks to base each investment decision, first, on an analysis that the value of the assets purchased is greater than the price of the security. In assessing underlying value, Adviser considers, among other things: (i) the liquidation value of a company's assets; (ii) the valuation of the company and comparable companies as a going concern, considering earnings history, cash flow, return on inflation adjusted cost of capital, return on net assets employed and other financial and operating factors; and (iii) the company's competitive position in its industry.

As a second step in making an investment decision, Adviser will determine whether an identifiable catalyst exists to drive share price appreciation. In reaching this determination, Adviser will look at possible future events, including, but not limited to, asset sales, new product offerings, including regulatory approval of such products, corporate share repurchase programs and subsidiary spin offs. Adviser may employ option valuation techniques to determine the potential value of the possible future opportunities.

Following an investment by Adviser on behalf of the Fund or a Managed Account, Adviser will continue to monitor the progress and suitability of portfolio investments as well as market and economic outlook.

To help develop its investment recommendations, Adviser may use commercially available information services, financial newspapers and magazines, industry publications, investment research publications and corporate rating services. Such information may be obtainable in print, via the internet or by some other means. Issuer-prepared materials (particularly prospectuses), private placement due diligence materials, press releases and research releases prepared by third parties are also utilized. Adviser also may use research materials prepared by various investment product vendors or custodians as well as in-house analysts. Adviser may also obtain information by meeting with an issuer's management, customers or competitors, attending industry conferences and consulting with experts in the appropriate field.

Investment in securities involves risk of loss that investors in a Fund and Account clients must be prepared to bear.

Investment Strategies

The investment strategy of the Funds is to maximize investment returns using a "value plus" approach to selecting investments. Following this approach, Adviser seeks to find domestic and foreign securities that are priced below the value of the underlying assets and have an identifiable catalyst expected to drive future share price appreciation. In connection with the Funds, Adviser focuses primarily on stocks of "small capitalization" companies with market capitalizations of under \$3 billion. Significant portions of the Fund's assets may be invested in a limited number of securities at any given time. Adviser expects to engage in short selling for both opportunistic and hedging purposes. While Adviser intends to manage each Fund pursuant to the investment strategy described in the confidential offering memorandum of the Fund (the "Memorandum"), under the investment management agreement with each Fund and/or applicable charter documents, Adviser has wide latitude to act upon any investment strategy or to change any investment strategy to achieve the investment objective of the Fund, all without obtaining the consent

of Fund investors. Prospective investors should carefully read the Fund's Memorandum and consult with their own counsel and advisers as to all matters concerning an investment in the Fund.

Under Adviser's investment management agreements with Managed Account clients, Adviser is authorized to employ any investment strategy and enter into any type of investment transaction that it deems appropriate for the Account client in accordance with each client's investment objective and subject to any investment guidelines and restrictions imposed by a client in the investment management agreement for the Account. Adviser may at certain times hold relatively large cash positions (*e.g.*, greater than 40% of a client's assets under management). Adviser may provide investment advice to clients on any type of investment product, including the purchase, sale, short sale, exchange or trade in publicly traded or over-the-counter stocks, bonds, options and other derivative instruments. Adviser may also offer advice to Managed Account clients regarding investment in commodities, real estate and private companies and private investment funds.

B. Investment Strategy Risks

Acquiring interests in the Funds and/or opening a Managed Account with Adviser is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with Adviser and can accept a potential loss of their entire investment. Investment risks specific to the investment strategy of each Fund are described in the Memorandum of the Fund and risks specific to any investment strategy employed by Adviser in managing a Managed Account will be explained to the client prior to the opening of the Account. Such risks may include (but are not limited to):

- **Concentration.** Client accounts may hold a relatively small number of securities. Losses incurred in such securities could have a disproportionate effect on the account's overall financial condition.
- **Portfolio Management.** The performance of a client account depends on the skill of Adviser and its portfolio manager(s) in making appropriate investment decisions.
- **Leverage.** The use of leverage by buying securities on margin or use of certain derivatives is a speculative technique that involves special risk considerations. Interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Interest on borrowings will be an expense of a client account and will affect the investment performance of the account. To the extent a client account is leveraged, the value of its assets will tend to increase more when its portfolio securities increase in value, and to decrease more when its portfolio securities decrease in value, than if its assets were not leveraged.
- **Short Selling.** Short sales that are not part of a hedging strategy are speculative and involve special risk considerations. Since a short seller in effect profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, returns will tend to increase more when the securities sold short decrease in value, and to decrease more when the securities sold short increase in value, than would otherwise be the case if the short seller had not engaged in such short sales. Short sales theoretically involve unlimited loss potential as the market price of securities sold short may continuously increase.
- **Portfolio Turnover.** Buying and selling securities generally involves some expense to a client account, such as commissions and other transaction costs. Generally, the higher an account's portfolio turnover, the greater its brokerage costs and the greater the likelihood that it will realize taxable capital gains. Increased brokerage costs may adversely affect an account's performance.
- **Equity Securities.** By investing in stocks, Adviser may expose a client account to a sudden decline in the share price or to an overall decline in the stock market. The value of investments held in a client account will fluctuate daily and cyclically based on changes in the issuer's financial condition and prospects and on overall market

and economic conditions.

- **Fixed Income Securities.** The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions of an issuer's creditworthiness. Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with lower rated securities more volatile than higher rated securities. The duration of these securities affects risk as well, with longer term securities generally more volatile than shorter term securities.
- **Highly Volatile Markets.** The prices of investments held by a client account can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts in which Adviser may invest client assets are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.
- **Small-Cap Companies.** Investments in small-cap companies may involve greater risks than investments in larger, more established companies, such as limited product lines, distribution channels and financial and managerial resources. The securities of small-cap companies may have greater price volatility and less liquidity than the securities of larger capitalized companies, and may be more difficult to value.
- **Foreign Securities.** Foreign investments tend to be more volatile than U.S. securities, and are subject to risks that are not typically associated with U.S. securities. For example, such investments may be adversely affected by changes in currency rates and exchange control regulations, unfavorable political, social and economic developments and the possibility of seizure or nationalization of companies or imposition of withholding taxes on income. Moreover, less information may be publicly available concerning certain foreign issuers than is available concerning U.S. companies. Foreign markets tend to be more volatile than the U.S. market due to economic and political instability, social unrest and regulatory conditions in some countries.
- **Emerging Market Securities.** Many of the risks with respect to foreign investments are more pronounced for investments in developing or emerging market countries, which include several countries in Asia, Latin America, Eastern Europe, Africa, and the Middle East. The economies of many of these countries depend heavily upon international trade and are therefore significantly affected by protective trade barriers and economic conditions of their trading partners. Many of these countries may also have government exchange controls, currencies with no recognizable market value relative to the established currencies of developed market economies, little or no experience in trading in securities, no financial reporting standards, a lack of a banking or securities infrastructure, and a legal tradition which does not recognize rights in private property.
- **High Yield Bonds.** Fixed income securities that are below investment grade or unrated involve greater risks of default and are more volatile than investment grade securities. High yield bonds involve a greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of high yield bonds may be more susceptible than other issuers to economic downturns, which may result in a weakened capacity of the issuer to make principal or interest payments. High yield bonds are subject to a greater risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity.
- **Derivatives.** Derivatives involve risks separate from the risks of the underlying instrument, including improper valuation and ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying instrument. Derivatives are also subject to other risks, such as the risk of an illiquid secondary market which may result in significant, rapid, and unpredictable changes in the prices for such derivatives, risks relating to the financial soundness and credit worthiness of the counterparty, and the risk of the failure of any of the exchanges on which a client account's positions trade or of their clearinghouses. The use of a derivative is speculative if Adviser is primarily seeking to enhance returns, rather than offset the risk of other positions. When Adviser invests client assets in derivatives for speculative purposes, the client account will

be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the cost of the derivative.

- **Commodities.** A client account's exposure to commodities markets may subject the account to greater volatility than investments in traditional securities. The value of commodity-related instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or risks affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.
- **Real Estate-Related Investments.** Because Adviser may invest a portion of client assets directly or indirectly in companies principally engaged in the real estate industry and other real estate-related investments, an account's performance may be linked to the performance of the real estate markets. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural or technological developments. Real estate companies are subject to legislative or regulatory changes, adverse market conditions and increased competition. The general performance of the real estate industry has historically been cyclical and particularly sensitive to economic downturns. Changes in prevailing real estate values, interest rates and changing demographics may affect the value of securities of issuers in the real estate industry.
- **Material Non-Public Information.** Employees may acquire for a number of reasons, including service on the board of directors of a company, confidential or material non-public information. In such cases, Adviser may be restricted from acting on the information; further, the possession of such information may restrict Adviser from initiating transactions that might otherwise have been initiated and prevent its Clients from purchasing or selling certain investments.

C. Portfolio Investment Risks

See Item 8(B) above. The Adviser does not represent, guarantee or imply that the services or methods of analysis employed by the firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. The Adviser's investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients and investors should be aware that there may be a loss or depreciation to the value of their account, which clients and investors should be prepared to bear. There can be no assurance that a Fund or Managed Account investment objectives will be obtained and no inference to the contrary is being made.

ITEM 9: DISCIPLINARY INFORMATION

The Adviser has no legal or disciplinary events to disclose, including any that would be material to a client's or prospective client's evaluation of its advisory business or the integrity of our management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

A. Registration as a Broker-Dealer or Registered Representative

Neither the Adviser nor its representatives are registered as a broker-dealer or registered representative and do not have any affiliation with a broker-dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person

Neither the Adviser nor its representatives are registered as a FCM, CPO, or CTA. However, the Adviser does qualify for the CFTC Part 4 exemption from registration as a Trading Adviser under 4.14(a)(8) and maintains a notice of exemption filing with the National Futures Association. The Adviser's NFA ID# is 0451915.

C. Material Relationships with Affiliates

As outlined in Item 7 above, The Funds are controlled by Adviser and were organized with the intent that they be managed by Adviser. Adviser does not intend to cause any Fund to terminate its investment management relationship with Adviser absent Adviser's liquidation or bankruptcy. However, Adviser has a fiduciary duty to act in the best interest of each Fund that it manages, and investors in each Fund have the right to withdraw from the Fund at any time subject to any notice requirement, lock-up period or other withdrawal limitations described in each Fund's Memorandum. Adviser may from time to time enter into a side letter agreement with one or more investors in a Fund which may, among other terms, provide for (i) withdrawal rights that are more favorable than the rights granted to all other Fund investors, (ii) a reduced management fee and/or performance-based compensation, or (iii) greater or more frequent transparency with respect to the Fund. Complete information is contained in the Funds' offering memorandum and should be reviewed prior to investing.

In addition, neither Adviser nor its related persons are obligated to allocate any specific amount of time or investment opportunities to a particular Fund. Adviser and its related persons intend to devote as much time as they deem necessary for the conduct of each Fund's operation and portfolio management, and will allocate investment opportunities in accordance with Adviser's trade allocation policy described in Item 6 above and Item 12 below.

In serving as the managing member and investment manager of the Funds, there are conflicts of interest, which the Adviser has addressed in a number of ways. Importantly, there are detailed disclosures in the Funds' offering documents that outline the risks and conflicts, and each investor should read the documents carefully before investing. Also, we included certain disclosures in this Disclosure Brochure; please refer to Items 6, 8, 12 & 15 for detailed information regarding risks and conflicts and how the Adviser addresses such conflicts.

In addition to the relationships with the Funds discussed above, Adviser may engage service providers, on behalf of itself or the Funds, who are affiliated with investors in the Funds. This creates a conflict of interest because Adviser may have an incentive to select the service providers based on its interest in receiving investments in the Funds rather than on clients' interest in receiving the most favorable cost/service. To mitigate this conflict, Adviser benchmarks these service providers' costs/service levels against other services providers' costs/service levels on, at least, an annual basis and preforms periodic due diligence to help ensure their services are in line with contracts and applicable regulations.

D. Recommendation of Other Investment Advisers

The Adviser does not recommend or select other investment advisers for its clients.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

In order to address conflicts of interest, Adviser has adopted a code of ethics (the "Code") which is applicable to all of Adviser's officers, manager, members, and employees (collectively, "Employees"). Adviser's Code generally sets the standard of ethical and professional business conduct that Adviser requires of its Employees, requires Employees to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Employees. Additionally, the Code sets forth Adviser's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that Adviser and each of its Employees owes to each advisory client. The Code is circulated at least annually to all Employees, and each Employee at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. Adviser will provide a copy of the Code to any client or prospective client upon request.

B. Participation or Interest in Client Transactions

Adviser may solicit qualified Managed Account clients to invest in a Fund. Adviser will inform each Managed Account client of its relationship with the Funds prior to the client's investment, but does not intend to advise Managed Account clients as to the appropriateness of making the investment and will not receive any compensation for doing so or for selling interests in the Funds (except to the extent that Adviser receives management fees and performance-based compensation from all Fund investors). The assets that Managed Account clients invest in the Funds will not be considered separately managed assets under the client agreement and the Adviser will not charge advisory fees on those assets. However, as an investor in the Fund, the client will pay a portion of the advisory fees paid by the Fund to the Adviser.

Additionally, and as authorized by the organizational agreements related to the Funds, Employees of the Adviser may invest in the Funds along with other investors. The offering documents related to the Funds disclose the possibility of such investments and the potential conflicts of interest surrounding such activity. To address such potential conflict of interest, the Adviser has written policies and procedures regarding trading and portfolio management. Additionally, as an investment adviser and a fiduciary to all clients, including the Funds, the Adviser always places clients' interests first and foremost. However, the Adviser's Employees may buy or sell securities for their own accounts that the Adviser also buys or sells for clients' accounts. The Adviser understands that this creates a potential conflict of interest, where the Employee's interest may be at odds with the interest of the firm's clients. To mitigate such potential conflict, we have adopted the Code with which all Employees must comply.

Periodically, Adviser may seek to adjust or rebalance client accounts by effecting cross trades between or among client accounts (i.e., causing one or more client accounts to sell securities to one or more other client accounts). This may create a conflict of interest because Adviser has a fiduciary duty to act in the best interest of all client accounts involved in a cross trade. In effecting such cross trades, Adviser seeks to reduce the transaction costs to its clients of such account adjustments. All such cross trades will be consistent with the investment objectives and policies of each client account involved in the trades, and will be effected at a current independent market price of the securities involved in the trades. Such cross trades will generally be effected through a broker-dealer. The client accounts involved in such cross trades will not pay any brokerage commissions or mark-ups in connection with the trades (to the broker-dealer or Adviser), but will reimburse the applicable broker-dealer for any customary trading costs and/or transfer fees (i.e., aggregate ticket charges) that such broker-dealer incurs and that are assessed by any other broker-dealers through which such broker-dealer effects the trades.

C. Personal Trading

Adviser believes that if investment goals are similar for clients and for Employees of Adviser, it is logical and even desirable that there be common ownership of some securities. At the same time, Adviser recognizes that there is a risk that Employees will compete with client accounts or otherwise engage in personal securities transactions at the expense of a client's interest. In order to maintain a high standard of conduct, Adviser's Code requires that all such transactions be carried out in a way that does not endanger the interest of any client. The Code establishes certain pre-clearance procedures and securities transaction reporting systems that are designed to monitor transactions in Employees' personal accounts and prevent any conflicts that may arise between Employees' personal securities transactions and transactions for clients of Adviser. For purposes of the policy, an Employee's "personal account" generally includes any account (i) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (ii) for which the Employee is a trustee or executor, or (iii) which the Employee controls, including Adviser's client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

D. Concurrent Trading Activity

Under Adviser's Code, Employees are subject to certain pre-clearance procedures that are designed to prevent any conflicts that may arise between Employees' personal securities transactions and transactions for clients of Adviser.

There will be occasions on which transactions to purchase or sell the same security may be effected at the same time for numerous accounts, some of which may have similar investment objectives. As noted in Item 4 above, however, Adviser may or may not purchase the same securities for all clients. Adviser may (but is not obligated to) combine or “batch” such orders. When combined orders occur, Adviser will seek to allocate the execution in a manner that is deemed equitable to the accounts involved. Generally, transactions will be averaged as to price and transaction costs and thereafter will be allocated among the accounts involved in proportion to the purchase and sale orders placed for each account on any given day. If Adviser cannot obtain execution of all the combined orders at prices or for transaction costs that Adviser believes are desirable, Adviser will allocate the securities Adviser has purchased or sold as part of the combined orders by following Adviser’s trade allocation procedures.

ITEM 12: BROKERAGE PRACTICES

A. Selection of Broker-Dealers

The Adviser has discretion to determine the broker-dealer to be used and the commission rates at which transactions for client accounts will be effected. When the Adviser places orders for the execution of portfolio transactions for client accounts, transactions are allocated to brokers and dealers for execution in various markets at prices and commission rates that, based upon good faith judgment, will be in the best interest of the client. In addition to using brokers as “agents” and paying commissions, the Adviser may effect transactions in securities directly from or to dealers that are acting as principal at prices that include markups or markdowns and may purchase from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

As the manager of each Fund, the Adviser has selected Jeffries LLC to provide prime brokerage services. Under the prime brokerage arrangement, the Adviser has the ability to place trades with Jeffries for execution or with another broker-dealer when the Adviser believes such to be in the best interests of the Funds. The brokerage commissions charged by Jeffries have been negotiated by the Adviser and the Adviser believes that they are comparable to the commissions charged by other brokerage firms for similar accounts. However, the Adviser has the authority to replace Jeffries in the future if the Adviser believes that better services and commission rates can be obtained elsewhere. The Adviser also uses Jeffries as the execution broker for certain trades for Managed Accounts, but also uses other brokers for execution of Managed Account transactions.

Execution Quality. Adviser will seek “best execution” in light of the circumstances involved in transactions. In selecting a broker for any transaction, the Adviser may consider a number of factors, including, for example, net price, broker reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security, and the available research services and products provided by the broker. Adviser will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction. As outlined above, the Adviser has discretion to determine the brokerage commission paid to certain brokers and therefore, may choose to pay a commission higher than the lowest possible commission in consideration of the brokerage and research products and services provided by a broker. The Adviser monitors its trading process and broker executions to: (i) evaluate the quality of execution provided by the various broker-dealers used, (ii) determine that compensation rates are competitive, and (iii) evaluate the reasonableness of the compensation paid to those broker-dealers in light of all the factors.

Research and Other Soft Dollars. In addition to execution quality, Adviser may consider the value of various research services or products, beyond execution, that a broker-dealer provides to Adviser or its clients. Selecting a broker-dealer in recognition of such other services or products is known as paying for those services or products with “soft dollars.” Because many of those services could benefit Adviser, it may have a conflict of interest in allocating client brokerage business. In other words, Adviser could have an incentive to execute client transactions through a broker or dealer that provides valuable services or products and pay transaction commissions charged by that broker or dealer which may be higher than Adviser might otherwise be able to negotiate. Adviser could also have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to

generate soft dollars with which to acquire research products and services.

Adviser will make decisions involving “soft dollars” in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, Adviser will generally determine, considering all appropriate factors (including those described here), that commissions paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer. In making that determination, the Adviser may consider not only the particular transaction, and not only the value of brokerage and research services and products to a particular client, but also the value of those services in Adviser’s performance of its overall responsibilities to all of its clients. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge. Additionally, in some cases, a client’s transaction may be executed by a broker in recognition of services or products that are not used in managing that client’s account. Broker-dealers are not excluded from a client’s business simply because they have not provided research services or products, although the Adviser may not be willing to pay the same commission to such broker as the Adviser might have been willing to pay had the broker provided research products and services.

For these purposes, “research” means advice, analysis and reports used to provide lawful and appropriate assistance to Adviser in making investment decisions for its clients and includes broker-dealer proprietary research and research created or developed by a third party. Where a particular service or product that a broker or dealer is willing to provide for soft dollars has not only a “research” application, but is also useful to the Adviser for non-“research” purposes, the Adviser will allocate the cost of the product or service between its research and non-research uses and pay only the “research” portion with soft dollars. The Adviser’s interest in making such an allocation may differ from clients’ interests in that the Adviser has an incentive to designate as great a portion of the cost as “research” as possible in order to permit payment with soft dollars.

When a broker-dealer provides research or other products or services in expectation of brokerage business, it generally suggests the level of business it would like to receive as compensation. Actual transactional business received by a particular broker or dealer during any period may be less than the suggested level, but may and typically will exceed that level. In other cases, a broker or dealer may establish “credits” based on brokerage commissions paid in the past, which may be used to pay, or reimburse the Adviser, for specified expenses. In making its brokerage selections, Adviser considers those suggestions as part of its evaluation of the factors described above.

The Adviser has a soft dollar arrangement with Jeffries and currently receives financial database software and services including investment news and securities quotation systems; research reports and other information, and specialized analysis on companies, industries and specific securities; financial and economic subscription newsletters and trade journals.

The soft dollar portion of the commission cost per share paid to Jeffries under the soft dollar arrangement generally ranges from ½ cent to 1 cent per share. However, the Adviser may pay more if it believes that the amount of additional commission is reasonable in relation to the value of the brokerage and research services received.

The Adviser also will direct brokerage to certain broker-dealers in recognition of research provided, but only when the Adviser believes that the broker can provide the best overall deal for the client(s).

Brokerage for Client Referrals. Subject to applicable law and regulation, in selecting brokers for any securities transactions, the Adviser may direct a portion of a client’s brokerage business to brokers who introduce the client to the Adviser. Because referrals could benefit the Adviser, selecting a broker based on client referrals may give rise to a conflict of interest in allocating client brokerage business. Adviser will not allocate client brokerage business to a referring broker unless the Adviser determines in good faith that the commissions and transaction costs payable to such broker are not materially higher than those available from other non-referring brokers offering services of similar execution quality.

Client Directed Brokerage. Under limited circumstances, the Adviser may allow a client to direct the firm to execute all or a portion of the client's transactions through a specific broker (aka "Directed Brokerage"). If that is the case, the client should understand that:

- (1) The Adviser does not negotiate specific brokerage commission rates with the broker on client's behalf, or seek better execution services or prices from other broker/dealers and, as a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case;
- (2) Transactions for that account generally will be effected independently unless the Adviser decides to purchase or sell the same security for several clients at approximately the same time (block trade), in which case it may include such client's transaction with that of other clients for execution by the same broker. If directed brokerage transactions are not able to be traded as a block, the Adviser may have to enter the transactions for the client's account after orders for other clients, with the result that market movements may work against the client; and
- (3) Conflicts may arise between the client's interest in receiving best execution with respect to transactions effected for the account and the Adviser's interest in potentially receiving future client referrals from the broker. Therefore, prior to directing the Adviser to use a specific broker-dealer, a client should consider whether, under that restriction, the executions, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable. Clients should understand that he/she might not obtain commissions rates as low as might otherwise be obtained if the Adviser had discretion to select other broker-dealers.

All clients directed brokerage arrangements must be provided to the Adviser in writing. A client must also notify the Adviser in writing if the client decides to terminate the directed brokerage arrangement.

B. Aggregation of Orders

There are times when the Adviser determines that the purchase or sale of a particular security is appropriate for multiple client accounts, including the Funds, based on a variety of reasons. When this happens, the Adviser may determine that it is appropriate in the interests of efficient and effective execution to attempt to execute the trade orders as one or more block trades (i.e. aggregate the individual trade for each account into one or more trade orders.). These circumstances may, in turn, give rise to actual or potential conflicts of interest among the accounts for whom the security purchase or sale is appropriate, and among the subset of those accounts actually participating in a block trade, especially if the block trade order results in a partial fill. In order to address these conflicts, the Adviser has adopted certain policies and procedures that are followed when aggregating trades in an effort to provide an objective and equitable method of trade allocation so that all clients are treated fairly. The basic objectives of these policies and procedures are as follows:

- The Adviser will only aggregate trades when it believes that such aggregations are consistent with its duty to seek best execution for clients.
- No account will be favored over any other account.
- Each account that participates in an aggregated transaction shall participate at the average of the executed share price for that security.

Also see Items 4(C), 6, 11(B), and 11(D) above for further information.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Account Review

All accounts are reviewed by Portfolio Manager John Francis at least monthly. Account reviews focus on a review

of all securities using fundamental and technical analysis. Particular attention is given to changes in company fundamentals, industry outlook, market situation, general economic trends, and relative/absolute valuation levels.

B. Non-Periodic Account Review

Other than the periodic review of client accounts described above, a detailed review is performed as necessary on positions in which material changes have occurred in the fundamentals, industry outlook, market situation, general economic trends, and relative/absolute valuation levels.

C. Client Reports

The Fund Administrator and/or the qualified custodian of each client account will transmit unaudited quarterly and/or monthly performance reports and/or account statements to Fund investors and Managed Account clients. Each investor in a Fund will also receive annual audited financial statements and, if necessary, annual tax information for completion of its individual tax returns. The Fund Administrator, qualified custodian and/or Adviser may make the reports available in hardcopy or solely via electronic transmission unless otherwise requested by a Fund investor or Managed Account client. The Adviser, in its discretion or upon investor request, may provide more frequent reports and/or more detailed information to all or any of the investors in the Fund or Account clients.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received

As discussed more fully under Item 12, the Adviser enters into “soft dollar” arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist the Adviser in its investment decision-making process. The receipt of such services may be deemed to be the receipt of an economic benefit by the Adviser, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client’s interest in receiving most favorable execution. Please refer to Item 12 for detailed information regarding how the Adviser addresses the conflicts of interest pertaining to soft dollar arrangements.

B. Compensation for Client Referrals

Subject to applicable law, the Adviser may employ solicitors or placement agents to whom it will pay either a portion of the advisory fees received from referred clients or investors or cash at Adviser’s own expense. In such cases, this arrangement will be disclosed in writing to the client or investor and the Adviser will comply with any other applicable requirements under Rule 206(4)-3 of the Advisers Act. In particular, the Adviser will (i) ensure that each solicitor provides clients with a current copy of the Adviser’s Form ADV Part 2 Disclosure Brochure and the solicitor’s written disclosure document. Note that in some states, a solicitor is also required to be qualified and registered as an investment adviser representative.

The Adviser has engaged placement agents (also referred to third party marketers) to assist with soliciting potential investors for the Funds. Please refer to the Adviser’s Form ADV Part 1 for detailed information.

ITEM 15: CUSTODY

Private Investment Funds

Adviser will not maintain physical possession of the funds or securities of the Funds. The assets of the Fund are maintained with a qualified custodian selected by Adviser in its exclusive discretion, which selection may change from time to time without the consent of investors in the Funds. In addition, as described in Item 13(C) above, the

Fund Administrator will provide Fund investors with monthly performance reports and/or account statements. Fund investors should carefully read these reports.

As outlined in Rule 206(4)-2 of the Investment Advisers Act, investment advisers that are deemed to have custody of client assets (other than through the ability to debit fees) are generally required to have an annual independent verification of those assets. The verification must be in the form of a surprise examination performed by an independent non-affiliated certified public accountant. However, an exception applies in the case of private investment funds, so long as the private fund is receiving annual audits of their financial statements performed by an independent public accountant, which is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). In addition, the audited financial statements must be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and distributed to all investors within 120 days of the end of the private fund's fiscal year. The private funds also must receive an audit upon full liquidation and the audited financial statements must be distributed to all of a fund's investors promptly after the completion of such audit.

Currently, the Adviser does not have annual surprise audits performed since each of the Funds are receiving annual audits of their financial statements by a public accounting firm that is registered with and subject to regular inspection by PCAOB. The Adviser also assists the Funds with the distribution of the audited financial statements to all its investors and ensures such distributions are made within 120 days of each Fund's fiscal year end. Should the Funds liquidate their pooled assets, the Adviser will ensure the financial statements of each Fund are audited at that time and a final audit report distributed to investors.

Individually Managed Accounts

Adviser will not maintain physical possession or custody of the funds or securities that a client transferred to a Managed Account. The assets transferred by a Managed Account client will be deposited with a qualified custodian selected by the client in accordance with the Adviser's investment management agreement with the Managed Account client. Under the investment management agreement, the Adviser may cause management fees and performance-based compensation to be paid out of the Managed Account by the qualified custodian. This authority causes the Adviser to be deemed to have custody of the Managed Accounts' assets. As described in Item 13(C) above, the qualified custodian will provide the Managed Account clients with monthly account statements. Managed Account clients should carefully read these reports, compare them with reports provided by the Adviser, and verify the accuracy of the calculation of the management fees and performance-based compensation, if any.

ITEM 16: INVESTMENT DISCRETION

The Adviser has discretionary authority to make the following determinations without obtaining the consent of any Fund or any Managed Account client before the transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers through which securities are to be bought or sold; and
- the commission rates at which securities transactions for client accounts are effected.

Adviser's discretionary authority is derived from an irrevocable limited power of attorney granted by the investors in each Fund under the Fund's charter document and the subscription agreement executed by each Fund investor, and from an express grant of authority under each Managed Account client's investment management agreement with the Adviser.

ITEM 17: VOTING CLIENT SECURITIES

The Adviser does not have the authority to vote proxies for Managed Account clients, as instructed in writing from

the Managed Account client and/or disclosed in advisory agreements entered into with the Managed Accounts clients. The Managed Account client will receive proxies for voting directly from their custodian. However, if the Adviser inadvertently receives any proxy materials on behalf of a Managed Account client for which it does not vote proxies, the Adviser will promptly forward such materials to the Managed Account client for voting.

The Adviser does have the authority to vote proxies for the Funds, as outlined in each Fund's offering documents. Proxies are assets of the Funds that must be voted with diligence, care, and loyalty. When the Adviser votes proxies, it will vote each proxy in accordance with its fiduciary duty to each Fund and in a way that seeks to maximize the value of each Fund's assets.

As a general policy, Adviser will not vote a proxy if a Fund collectively holds less than 1% of an issuer's outstanding voting securities. The Adviser has determined that the administrative costs and burdens associated with voting proxies in these instances outweigh any advantages to the Funds obtained through the voting process. If the Adviser detects a material conflict of interest in connection with a proxy solicitation, the Proxy Voting Committee will be convened to review the conflict of interest and make a determination in the best interest of the Fund. Fund investors may obtain information directly from the Adviser on the Adviser's proxy voting activities.

Additional information is available in Adviser's proxy voting policy and procedures, which is available upon request.

ITEM 18: FINANCIAL INFORMATION

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. We do not have any financial commitments that impair our ability to meet contractual and fiduciary obligations to clients, and have not been the subject of a bankruptcy proceeding.

FORM ADV PART 2B BROCHURE SUPPLEMENT
May 14, 2014

Item 1 – Identifying Information	
<i>Name of Supervised Person:</i> John P. Francis	
<i>Name of Investment Adviser:</i> Francis Capital Management, LLC	
<i>Address:</i> 1453 Third Street, Suite 470, Santa Monica, CA 90401	<i>Telephone Number:</i> 310-260-9708

This brochure supplement provides information about John P. Francis that supplements the Form ADV Brochure of Francis Capital Management, LLC (“Adviser”). You should have received a copy of that Brochure. Please contact John P. Francis at (310) 260-9708 if you did not receive Adviser’s Brochure or if you have any questions about the content of this supplement. Additional information about John P. Francis also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience	Name. John P. Francis Year of Birth. 9/22/1965 Education. BA, UCLA – 1988; MBA, UCLA Anderson School of Business - 1996 Business Background (5 Years). 2000 - Present, Francis Capital Management, LLC, Santa Monica, CA – President and Managing Member
Item 3 Disciplinary Information	The Adviser is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each investment person providing advice to you. Mr. Francis has no information required to be disclosed under this Item.
Item 4 Other Business Activities	Mr. Francis does not engage in other business activities outside of his position at the Adviser which represent a substantial source (i.e., more than 10%) of his time or income.
Item 5 Additional Compensation	As majority owner of the Adviser, Mr. Francis shares in the profits and losses of the firm. Outside of his compensation received as owner and President of the Adviser, Mr. Francis does not receive any remuneration from outside business activities.
Item 6 Supervision	Mr. Francis is required to comply with the Adviser’s code of ethics, its compliance policies and procedures and any other policies and procedures adopted by Adviser from time to time. Mr. Francis is available at (310) 260-9708.