

**Addison Clark Management, L.L.C.**

**January 23, 2015**

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**This brochure provides information about the qualifications and business practices of Addison Clark Management, L.L.C. (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 203-222-4000. This information has not been approved or verified by the SEC or by any state securities authority.**

**Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.**

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

Addison Clark Management, L.L.C. (the "Adviser"), a limited liability company organized under the laws of the State of Delaware, is an investment adviser with its place of business located at 10 Wright Street, Suite 100, Westport, Connecticut. The Adviser commenced operations as an investment adviser on October 1, 2001 and has been registered with the SEC since February 1, 2006. Terence Hogan, Charles Rini and Louis Garcia each own at least 25% of the Adviser.

The Adviser provides investment supervisory services on a discretionary basis to its clients, Addison Clark Fund, L.P., Addison Clark Northside LP and Addison Clark Offshore Fund, Ltd. (each, a "Fund" and collectively, the "Funds"), which are pooled investment vehicles intended for institutional investors and other sophisticated investors.

The Adviser provides advice to the Funds based on the investment objectives and strategies of the Funds, as outlined in the Funds' offering memoranda. The Adviser generally does not tailor advisory services to the individual needs of investors in the Funds (the "Investors"), and Investors may not impose restrictions on investing in certain securities or certain types of securities.

As of December 31, 2014, the Adviser had approximately \$1,236,294,214 of regulatory assets under management, all on a discretionary basis.

#### **Item 5. Fees and Compensation**

The Funds pay the Adviser an investment management fee ranging from 1.0% to 1.5% per annum, depending on the date of an Investor's initial investment in the applicable Fund. The investment management fees are calculated and paid quarterly in advance based on the value of the assets of each Fund as of the beginning of each fiscal quarter. The investment management fees are prorated for periods less than a full quarter. Pre-paid fees will be refunded based on the number of days remaining in the quarter if the investment management agreement is terminated or a withdrawal/redemption is made before the end of a quarter. Investment management fees are deducted from each Fund quarterly by instructing the administrator of the Funds to deduct the applicable fee; provided, however, that Addison Clark Northside LP does not have a third party administrator and accordingly, fees are deducted quarterly by its general partner (or its affiliate) and paid to the Adviser.

The Adviser (or its affiliate) will also be paid or allocated annual performance-based compensation, which is compensation that is based on a share of capital appreciation of the assets of a Fund. This compensation rate can be 17% or 20% and is subject to a loss carry forward provision.

The Adviser (or its affiliate) may waive or reduce the investment management fee and/or the performance-based compensation for Investors that are members, principals, employees or affiliates of the Adviser or relatives of such persons and others.

Each Fund will pay its own expenses, including the fees paid to the Adviser, directors' fees (if applicable), legal, accounting, auditing and other professional expenses, fees and expenses of the administrator, research expenses and investment expenses such as trading costs, commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees, fees paid to third parties to perform the securities trading function on behalf of the Fund and other expenses related to the purchase, sale or transmittal of Partnership assets. In addition, Funds will incur brokerage and other transaction costs. Please refer to Item 12 for a discussion of the Adviser's brokerage practices.

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

The Adviser provides investment management services to multiple portfolios for multiple Funds. The Adviser is entitled to be paid or allocated performance-based compensation by such Funds. In addition, the Adviser's investment personnel typically receive a portion of the performance-based compensation

paid by the Funds. When the Adviser and its investment personnel manage more than one Fund a potential exists for one Fund to be favored over another Fund. In addition, certain Funds may have higher investment management fees than other Funds. The Adviser and its investment personnel have a greater incentive to favor Funds that pay the Adviser higher fees or in which the Adviser or its personnel have a more significant interest.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple Funds and the allocation of investment opportunities. The Adviser's procedures relating to the allocation of investment opportunities require that the Funds' participate in all investment opportunities (including public offerings and private placements) pro rata based generally on their asset size and require that, to the extent orders are aggregated, the orders are price-averaged. The performance of the Funds is compared daily to determine whether there are unexplained discrepancies. These areas are monitored by the Adviser's Chief Compliance Officer.

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

The Adviser's clients consist of the Funds. The initial and additional subscription minimums are disclosed in the Funds' offering memoranda.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research, charting analysis, as well as use of technical analytical tools and approaches. The Adviser employs the following investment strategies:

Equity. The Adviser's equity strategy focuses on a broad range of equity investment styles, including growth, core, and value. The Funds are generally focused on U.S. equities.

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

Leverage. The Adviser's investment program utilizes leverage which involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

Buy and Hold. The Adviser engages in a buy and hold investment strategy wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

Fundamental Value. The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

Growth. The Adviser engages in a growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

Option Trading. The Adviser engages in option trading investment strategies.

Hedging. The Adviser utilizes a variety of financial instruments such as options for risk management purposes.

These strategies and investments involve risk of loss to Investors and Investors must be prepared to bear the loss of their entire investment. Material risks relating to investment strategies and types of securities that are primarily recommended include:

Non-Diversification. Fund investments will be focused primarily in U.S. equities and may not be diversified among geographic areas or types of securities or among a wide range of issuers or industries. Accordingly, the Funds may be subject to more rapid change in value than would be the case if the Adviser was required to maintain a wide diversification among industries, investment areas, types of securities and issuers.

Issuer-Specific and Other Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Short Sales. Short selling, or the sale of securities not owned by the Adviser, necessarily involves certain additional risks. Such transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Leverage. Performance may be more volatile if the Funds employ leverage.

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

Small- to Medium Capitalization Companies. At any given time, there may be significant investments in small- to medium-capitalization companies of a less seasoned nature whose securities are traded in the over-the-counter market. These securities often involve significantly greater risks than the securities of larger, better-known companies.

Options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause the value of the portfolio to be subject to more frequent and wider fluctuations than would be the case if the Adviser did not invest in options.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments,

especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Special Situations. Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell their investments at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of a significant portion of their investment in such companies.

#### **Item 9. Disciplinary Information**

The Adviser and its management have not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction.

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

Each of the Funds for which the Adviser or its related person serves as general partner or investment manager has and may in the future enter into agreements, or “side letters,” with certain prospective or existing Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memoranda for the Funds. For example, such terms and conditions may provide for special rights to make future investments in the Fund, other investment vehicles or managed accounts; special withdrawal or redemption rights relating to frequency or notice; a waiver or rebate in fees or withdrawal or redemption penalties to be paid by the Investor and/or other terms; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other Investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Fund and such Investors. The modifications are solely at the discretion of the Fund and may, among other things, be based on the size of the Investor's investment in the Fund or affiliated investment entity, an agreement by an Investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an Investor to the Fund.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its personnel to put the interests of the Funds before their own interests and to act honestly and fairly in all respects in their dealings with Funds. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Investors or prospective Investors may obtain a copy of the Code by contacting Steven Zucker, Chief Compliance Officer, by email at [szucker@addisonclark.com](mailto:szucker@addisonclark.com), or by telephone at 203-222-4004. See below for further provisions of the Code as they relate to the pre clearing and reporting of securities transactions by personnel.

The Adviser, in the course of its investment management, may come into possession of confidential or material, non-public information about issuers, including issuers in which the Adviser or its personnel have invested or seek to invest on behalf of Funds. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Fund. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to ensure that the Adviser is meeting its obligations to Funds and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, non-public information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Fund or using

such information for the Fund's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Fund for not disclosing such information to the Fund (or the fact that the Adviser possesses such information), or not using such information for the Fund's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

An access person or other director/manager, officer or employee of the Adviser (each, a "Covered Person") may own securities in its personal account that are also recommended by the Adviser to the Funds. Such practices present a conflict where, because of the information the Adviser has, the Adviser or the Covered Person is in a position to trade in a manner that could adversely affect Funds (e.g., place their own trades before or after Fund trades are executed in order to benefit from any price movements due to the Funds' trades). In addition to affecting the Adviser's or its Covered Person's objectivity, these practices by the Adviser or the Covered Person may also harm Funds by adversely affecting the price at which the Funds' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: With certain exceptions, the Adviser requires Covered Persons to preclear all transactions in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of the Funds; provided, however, that a Covered Person will not be permitted to transact in a restricted security (as defined in the Code) within three trading days after a Fund opens or adds to a position or reduces or closes a position in such restricted security. Any such approval will remain in effect for 24 hours. Further, a Covered Person may not acquire any direct or indirect beneficial ownership in any securities in any initial public offering without prior written approval of the Chief Compliance Officer and may not acquire any beneficial ownership in any securities in any private placement of securities or investment opportunity of limited availability unless the Chief Compliance Officer has given express prior written approval. The Chief Compliance Officer, in determining whether approval should be given, will take into account, among other factors, whether the investment opportunity should be reserved for Funds and whether the opportunity is being offered to the Covered Person by virtue of his or her position with the Adviser.

Further, Covered Persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. All of the Adviser's Covered Persons are also required to provide broker confirmations of each transaction in which they engage. Trading in Covered Persons' accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the Fund accounts and reviewed against the restricted securities list. The Managing Member of the Adviser will review the Chief Compliance Officer's transactions, holdings and preclearance requests.

A Covered Person shall not serve as a director (or similar position) on the board or a member of a creditors committee of any company unless the Covered Person has received written approval from the Chief Compliance Officer and the Adviser has adopted policies to address such service. Authorization will be based upon a determination that the board service would not be inconsistent with the interest of any Fund account.

## **Item 12. Brokerage Practices**

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions and in determining the reasonableness of the broker-dealer's compensation. The Adviser has a duty to obtain "best execution" for the Funds' securities transactions. In determining what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. In seeking best execution, the Adviser considers the full range of the broker's services, including commission rate, reputation, financial strength and stability, efficiency of execution and error resolution. In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Fund may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Chief Compliance Officer and Chief Operating Officer meet periodically to evaluate the broker-dealers used by the Adviser to execute trades using the foregoing factors.

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

The Adviser’s Chief Compliance Officer, Managing Director, Chief Operating Officer and portfolio managers meet regularly to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser’s overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

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

Research and brokerage services obtained by the use of commissions arising from a Fund’s portfolio transactions may be used by the Adviser in its other investment activities and thus, a Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. However, because the Funds are managed on a *pari passu* basis, each Fund generally benefits from soft dollars proportionately to the soft dollar credits it generates.

During the Adviser’s last fiscal year, as a result of brokerage commissions (or markups or markdowns), the Adviser acquired research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; data services (including services providing market data, company financial data and economic data, and trading software operated by a broker-dealer to route orders); software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and comparison services, electronic confirms or trade affirmations.

In selecting or recommending broker-dealers, the Adviser may consider whether the Adviser or a related person receives investor referrals from a broker-dealer or third party. The Adviser may have an incentive to select or recommend a broker-dealer based on its desire to receive investor referrals rather than on the client’s preference to receive most favorable execution. To address this conflict of interest, the Adviser will execute client trades through broker-dealers that refer investors to the Adviser only if it is determined by the Chief Compliance Officer and Chief Operating Officer that client trades with such broker-dealers are otherwise consistent with seeking best execution.



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

It is the Adviser's practice to purchase or sell the same security for its Funds at the same time and using the same executing broker. It is also the Adviser's practice to aggregate orders for the purchase or sale of the same security to achieve more efficient execution and to provide for equitable treatment among Funds. Funds participating in aggregated trades will be allocated securities based on the average price achieved for such trades. Brokerage commissions are not reduced as a result of such aggregation. In some cases, averaging pricing may result in higher or lower execution prices than otherwise obtainable by a single Fund. When an aggregated order is completely or partially filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating Funds, based on the purchase or sale order. Notwithstanding the foregoing, an aggregated order may be allocated on a different basis if the reason for the different allocation is explained in writing and approved by the Chief Compliance Officer. Reasons for allocation on a different basis may include: a Fund's investment guidelines and restrictions; available cash; liquidity requirements; legal regulatory reasons; or to avoid odd lots.

The Adviser does not permit Investors to direct brokerage.

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

Each Fund account is reviewed by Terence Hogan, managing member of the Adviser, on a daily basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held and adherence to investment guidelines. Significant market events affecting the prices of one or more securities in Fund accounts may trigger reviews on other than a periodic basis.

Investors receive reports from the Funds pursuant to the terms of each Fund's offering memorandum.

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

The Adviser receives certain research or other products or services from broker-dealers through "soft-dollar" arrangements. These "soft-dollar" arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of the Funds. Please see Item 12 for further information on the Adviser's "soft-dollar" practices.

#### **Item 15. Custody**

This Item is only applicable to investment advisers with separately managed accounts.

#### **Item 16. Investment Discretion**

The Adviser provides investment advisory services on a discretionary basis to the Funds. Prior to assuming full discretion in managing a Fund's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

The Adviser has the authority to determine (i) the securities to be purchased and sold for the Fund and (ii) the amount of securities to be purchased or sold for the Fund. Because of the differences in tax status

and other criteria, there may be differences among in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among Funds: (i) Fund investment objectives and strategies; (ii) Fund risk profiles; (iii) tax status and restrictions placed on a Fund's portfolio by the Fund or by applicable law; (iv) size of the Fund account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible Funds on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to Funds in varying amounts. Even Funds that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., new issues) divided by the total assets of all accounts eligible to invest in the particular investment.

Allocations will be made among Funds eligible to participate in new issues and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a Fund's investment guidelines explicitly prohibiting participation in new issues or secondary offerings or an Investor's status as a "restricted person" or "covered investor" under applicable regulations.

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

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that Funds are treated fairly. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a Fund account incurs a trade error as a result of the Adviser's gross negligence or willful misconduct, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the Fund incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the Fund.

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

The Adviser has adopted proxy voting policies and procedures to ensure that in cases where the Adviser votes proxies with respect to Fund securities, such proxies are voted in the best interests of the Funds. In voting proxies, the Adviser generally votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated). Generally, the Adviser typically votes against proposals that make it more difficult to replace members of a board of directors. For all other proposals, the Adviser will determine whether a proposal is in the best interests of the Funds and may take into account the following factors, among others: (i) whether the proposal was recommended by management and the Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

The Funds' Investors are not permitted to direct votes in a particular solicitation.

If a material conflict of interest between the Adviser and a Fund exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Fund or take some other appropriate action.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a Fund's proxies by contacting Steven Zucker, Chief Compliance Officer, by email at [szucker@addisonclark.com](mailto:szucker@addisonclark.com) or by telephone at 203-222-4004.

**Item 18. Financial Information**

This Item is not applicable.

**Appendix: Item 2. Material Changes**

There have been no material changes made to the brochure since the Adviser's last annual update, which was filed on March 5, 2014.

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