

**Item 1. Cover Page**

**DISCLOSURE BROCHURE**

**March 25, 2015**

**Adam & Partners Investment Advisors, LLC**

224 Fifth Avenue  
Floor 6  
New York, New York 10001  
(212) 213-6053

*This brochure provides information about the qualifications and business practices of Adam & Partners Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 213-6053. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Adam & Partners Investment Advisors, LLC is a registered investment adviser with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training.*

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

## **Item 2. Material Changes**

The following summarizes the material changes in our Brochure since the last annual amendment:

1. The Adam and Partners Enhanced Alpha Fund is now in liquidation.
2. The Firm now is the sole adviser to the Offshore Beta Fund.
3. In Item 5, we have provided disclosures regarding subadviser fees now being paid by the funds.
4. In Item 11, we have provided additional disclosures regarding transactions with related parties.

You may request a copy of our current Brochure at any time, which we will provide to you free of charge. If you would like to request a copy of our current Brochure, please contact Young Chung at 212-213-6053.

**Item 3. Table of Contents**

Item 1. Cover Page .....	1
Item 2. Material Changes .....	2
Item 3. Table of Contents .....	3
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation .....	6
Item 6. Performance-Based Fees and Side-By-Side Management .....	8
Item 7. Types of Clients .....	9
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9. Disciplinary Information .....	14
Item 10. Other Financial Industry Activities and Affiliations .....	15
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	17
Item 12. Brokerage Practices .....	19
Item 13. Review of Accounts .....	22
Item 14. Client Referrals and Other Compensation .....	23
Item 15. Custody .....	24
Item 16. Investment Discretion .....	25
Item 17. Voting Client Securities .....	26
Item 18. Financial Information .....	27

## Item 4. Advisory Business

### A. The Firm and Principal Owners

Adam & Partners Investment Advisers, LLC, (“the Firm”) is a Registered Investment Adviser with the Securities and Exchange Commission (“SEC”). Our primary business is providing investment advisory services to private pooled investment vehicles. We were founded in 2006. We are ninety-nine percent (99%) owned by Adam & Partners Group Holding Company, Limited (Bermuda) (“Holding Co”). The principal owner of Holding Co is our founder and Managing Member, Stuart Adam.

### B. Types of Services Offered

We offer investment advisory services to pooled investment vehicles.

#### 1. Adam & Partners Enhanced Alpha Fund (the “Offshore Alpha Fund”):

The Offshore Alpha Fund is currently in liquidation.

#### 2. Adam & Partners Beta Funds (the “Beta Funds”)

We are the investment manager and managing member of Adam & Partners Beta Fund, LLC, a Delaware Limited Liability Company (“the Domestic Beta Fund”) and the Adam & Partners Beta Fund, Ltd. (Cayman) (“the Offshore Beta Fund”). The Beta funds enumerated above are collectively referred to as “the Beta Funds”.

The investment objective of the Domestic Beta Fund is to provide above-average capital appreciation over the short to intermediate-term. The expected duration of the investments will be intermediate to long-term in nature. The fund may invest in other pooled investment vehicles, including one of the other funds we advise, or allocate funds to other investment managers. In addition, the fund may invest in other securities such as mutual funds, exchange traded funds (“ETFs”), preferred stocks and other fixed income products. The benchmark for returns is the yield for one (1) month’s USD LIBOR.

The Offshore Beta Fund’s investment objective is to provide above-average capital appreciation over the short to intermediate term. This is to be achieved in a wide range of market conditions through a program of investments within the asset allocation ranges described above. The expected duration of the investments will be intermediate to long-term in nature.

For a more detailed description of the Beta Funds’ investment objectives, please refer to the respective Beta Funds’ Private Placement Memoranda.

### C. Level of Service Offered

Our philosophy is to create an investment program tailored to the specific investment objectives, restrictions and guidelines of the funds we advise, as outlined in the funds’ offering documents. Fund investors are not permitted to impose any restrictions on specific securities or types of securities in which the funds may invest.

### D. Portfolio Management Services to Wrap Fee Programs

We do not provide portfolio management services to wrap fee programs.

**E. Assets Under Management**

As of December 31, Regulatory Assets under Management were \$77,500,677. We manage one hundred percent (100%) of the assets on a discretionary basis. We use the same method to calculate our Regulatory Assets under Management here as we have used to calculate them on Item 5(F) of our Form ADV, Part 1.

## Item 5. Fees and Compensation

### A. Fees and Compensation

#### 1. Beta Funds -

##### **Management Fee**

The Domestic Beta Fund pays an annual management fee to the investment manager of one and one-quarter percent (1.25%) quarterly based on the aggregate value of the capital balances of each member account.

The Offshore Beta Fund pays an annual management fee of 1 and one quarter percent (1.25%) for investment advisory services related to the Offshore Beta Fund described above. We may waive all or any portion of the management fee with respect to any investor in any fiscal period without informing any other investors.

##### **Performance Allocation**

Generally, we receive a performance allocation for the Domestic Beta Fund, with respect to each member, equal to ten percent (10%) of the amount by which the annual appreciation of that member's net asset value for a particular year is above a hurdle rate of one (1) month LIBOR. The allocation is calculated by our third party administrator. There will be no performance allocation with respect to recoupment of losses from prior years. Please refer to the offering documents for more details on the performance allocation.

We may waive all or any portion of the performance allocation with respect to any member in any fiscal period without informing any other investors.

We do not earn a performance fee for the Offshore Beta Fund.

### B. Method of Payment

We deduct management fees from the assets of the funds we advise and they are paid quarterly in advance. Performance allocations are charged to members' capital accounts on an annual basis in arrears.

### C. Other Fees and Expenses

The funds are charged for legal, audit and other related costs. In addition, the funds will pay certain overhead expenses of the Firm.

In addition, the management fees and performance allocations paid by the funds to us or our affiliates do not include the management fees, performance allocations and administrative costs incurred by the underlying funds in which the funds may invest. The management fees for the underlying funds range from one half of one percent (0.5%) to two percent (2.0%) of assets under management. The performance allocations range from fifteen percent (15%) to twenty percent (20%). In some cases, the performance allocations for the underlying funds are contingent on performance exceeding a predetermined hurdle amount. In the case of subadvisers that have received an allocation of assets to manage on behalf of the funds,

management fees paid to us do not include the management fees charged by the subadvisers. These management fees range from one half of one percent (0.50%) to one and seven and a half percent (1.75%). For the Offshore Beta Fund, we have retained a subadviser whose function is to allocate investments to other managers or funds. That subadviser is paid a management fee 0.625% of the assets on which it subadvises.

In addition, trading costs and commissions associated with the trades by such subadvisers are also borne by the client.

We also buy and sell equities, exchange-traded funds ("ETFs"), mutual funds, preferred stock and other fixed income products. The funds are charged:

1. commissions;
2. mark-ups/markdowns;
3. 12b-1 fees; and
4. transaction costs for such trades and any mutual fund short term redemption fees.

#### **D. Prepayment of Fees**

We charge the funds quarterly in advance for the management fees. We accrue performance allocations for the Domestic Beta Fund to member accounts annually in arrears.

#### **E. Other Compensation**

We and our supervised persons do not accept any compensation for the sale of securities or other investment products.

## **Item 6. Performance-Based Fees**

We accept performance based allocations for investments in the Domestic Beta Fund, but do not accept performance based fees for investments in the Offshore Beta Fund.

The acceptance of performance allocations represents a potential conflict of interest for us as the additional performance based compensation we may receive provides an incentive to direct investors to such investments because of the potential that we will receive those performance allocations, when another strategy or investment that does not have performance allocations would be more suitable. In addition, performance based compensation may provide us with an incentive to recommend higher risk investments to the funds for which there is a performance allocation, when a lower risk investment would be more suitable.

We address this conflict by analyzing the suitability of an investment for investors without regard to whether we or an affiliate earns additional compensation for the transaction.



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

Our clients are the funds we advise. For the suitability requirements and minimum investments in the funds, please refer to their respective Private Placement Memoranda.

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

### A. Methods of Analysis and Investment Strategies

Our portfolio management strategy for the funds we advise is primarily to find professional managers or pooled investment vehicles that have diversified, buy-and-hold, mid-to-long term investment perspectives within the sector, risk profile, guidelines and restrictions as outlined in the offering documents for the respective funds. We will also invest in mutual funds, ETFs, preferred stock and other fixed income products, as well as private loans.

We conduct extensive due diligence on the underlying funds or asset managers prior to selection. On an ongoing basis, we review manager and fund performance and assess our risk exposure based on that review along with an assessment of general market conditions. We conduct quarterly conference calls with managers and fund advisers as well as semi-annual in-person meetings. We also assess the suitability of other investments, such as ETFs, mutual funds and loans, to ensure that those investments are appropriate for the respective fund.

Investors in the funds should know that investments in securities involve risk that they should be prepared to bear.

### B. Material Risks Associated with Investment Strategies

1. Fund Investments: Investments in private funds contain certain risks. For a more detailed description of the risk associated with the funds, please refer to the offering documents. They are generally outlined as follows:
  - a. Liquidity: Partnership interests are not easily transferable on the secondary market and are subject to redemption limitations.
  - b. Transparency: Advisers to fund investments will not provide information on their portfolio positions and, therefore, investors cannot objectively assess the risk of the underlying fund investments.
  - c. Side letters: Certain investors may get preferential treatment in the following areas:
    - i. Liquidity;
    - ii. Transparency; and
    - iii. Fees.
  - d. Reliance on key personnel: Most fund advisers have a small number of key people who make the important investment decisions. Should any of those persons end their association with the fund, the ability to achieve good performance may be impaired.
  - e. Similar funds: Investment managers often advise similar funds and depending on the fee structures for those funds, the investment managers may allocate certain limited investment opportunities to higher fee funds.

- f. Valuation: Certain funds own hard to value assets. Investment managers generally have discretion to value those assets and have an incentive to assign a higher value to those assets as their fees are tied to such valuations.
  - g. Leverage: Certain funds use leverage (borrow funds from banks and brokers) to increase their securities holdings. The use of leverage will magnify both gains and losses beyond the amount invested by an investor in a fund.
- 2. Domestic Beta Fund: In the Domestic Beta Fund, we allocate a significant amount of the assets under management to separate account managers. As stated above, we conduct significant due diligence, both initially and on an ongoing basis in order to select and retain the most suitable managers. However, if in the course of their exercising their investment discretion, they were to make a series of poor investment decisions, investors in the Domestic Beta Fund could lose a significant amount of their investment prior to being able to terminate the relationship.
- 3. Preferred Stocks and other Fixed Income Products: We may invest fund assets in preferred stocks. The particular risks associated with preferred stocks include:
  - a. Dividend suspension: If the company were to experience financial difficulty it could suspend the preferred dividend.
  - b. Interest rate risk: If interest rates rise, the value of the preferred stock we hold may decline in value.
  - c. Liquidity risk: Since most preferred stock is thinly traded, if we need to sell the stock, we may not be able to dispose of it in a timely manner at a reasonable price.
  - d. Call risk: Certain preferred stock may be “called” or redeemed by the issuer. If interest rates have fallen and the stock is called, we may have to reinvest the funds in lower yielding securities.
- 4. Mutual Funds:
  - a. Stock market risk: There is the chance that stock prices will decline overall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
  - b. Manager risk: The chance that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.
  - c. Investment style risk: The chance that returns from the specific strategy will trail returns from the overall stock market.
  - d. Sector risk: The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.

- e. Nondiversification risk: There is the chance that a fund's performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock. Certain funds may be nondiversified, which means that they may invest a greater percentage of their assets in the securities of a small number of issuers as compared with other mutual funds.
5. ETFs: While one investing in ETFs may encounter similar risks as that of mutual funds, because ETF shares are traded on an exchange, they are subject to additional risks:
- a. Valuation risk: ETFs are listed for trading on exchanges and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF share typically will approximate its net asset value ("NAV"), there may be times when the market price and the NAV vary significantly. Thus, we may pay more or less than NAV when we buy an ETF share and we may receive more or less than NAV when we sell those shares.
  - b. Liquidity risk: Although ETF shares are listed for trading on exchanges, it is possible that an active trading market may not be maintained. In addition, trading of ETF shares on an exchange may be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of ETF shares may also be halted if: (i) the shares are delisted from the exchange where they are traded without first being listed on another exchange; or (ii) exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.
6. Equities: Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.
7. Other Investments:  
We have discretion to invest in other alternative investments, such as private loans. Such investments have additional risks, including:
- a. Valuation risk: Because such investments are not traded in a public market, it is difficult to determine their value at any given time.
  - b. Marketability risk: Should we need to dispose of these types of assets, there is little or no market to sell them and, accordingly, we may be forced to either hold on to the assets or sell them far below the market price.
  - c.

**C. Material Risks Associated with Certain Securities.**

See answers to 8(B) above.

## **Item 9. Disciplinary Information**

We have no legal or disciplinary events that are material to a client or prospective client's evaluation of our advisory business or the integrity of our management.

## Item 10. Other Financial Industry Activities and Affiliations

### A. Broker-Dealer Affiliations

We and our management persons are not registered and do not have an application pending to register as a broker-dealer or as registered representatives of a broker-dealer.

### B. Commodity Futures Affiliations

We and our management persons are not registered and do not have an application pending to register as a futures commission merchant or commodity pool operator.

### C. Other Affiliations

1. Adam & Partners Investment Family Office (Bermuda) (the “Foreign Family Office”):

The Foreign Family Office provides family office and support services to the offshore fund and non-US persons. Holding Co owns one hundred percent (100%) of the Foreign Family Office.

2. Adam & Partners Group Holding Company, Limited (Bermuda) (also referred to as Holding Co):

Holding Co owns ninety-nine percent (99%) of our Firm. Thirty-five percent (35%) of the shareholders of Holding Co are families who are clients of the Foreign Family Office.

The ownership structure, whereby clients of the Foreign Family Office own a substantial interest in Holding Co (which is the owner of ninety-nine percent (99%) of our Firm) presents a conflict of interest as those clients of the Foreign Family Office may exert indirect influence over our management and therefore, through the offshore funds or other investment vehicles, may receive more favorable treatment with regard to such items as fee structure and allocation of limited investment opportunities.

We address this conflict as follows with regard to the particular funds:

As a matter of practice, we allocate available limited investment opportunities pro-rata among the funds we advise, either directly or through the subadvisory arrangement, as appropriate. An exception to this practice would be when the particular tax structure of the investment opportunity would make the investment unsuitable for certain funds.

In addition, as the Managing Member of our Firm serves in a similar capacity for the Foreign Family Office, he reviews the portfolios for clients, both onshore and offshore, on a regular basis to ensure that allocations of investments have been made in a fair and equitable manner.

3. Our Managing Member: Stuart Adam, our Managing Member, performs duties for the offshore entities described above. A potential conflict also exists regarding the amount of time Mr. Adam spends on these other activities as it can impact the amount of time he spends fulfilling his obligations to our Firm. We address this conflict by appointing qualified management to run the day to day operations of our Firm while Mr. Adam continues to closely supervise our Firm’s activities.

4. The funds may make loans to investors in the funds or to entities in which the Managing Member has an equity interest. The Firm addresses this conflict in that it reviews all investment opportunities without regard to the investor status of the borrower or any equity interest the Managing Member may own in the borrower.

**D. Recommendation or Selection of Other Investment Advisers**

As stated above, we select other investment advisers and other pooled investment vehicles . However, we receive no compensation, either directly or indirectly, from the investment advisers and pooled investment vehicles.



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

### A. Summary of Code of Ethics

We have adopted a Code of Ethics (“the Code”) that sets forth standards of business conduct and requires compliance with federal securities laws. Our Code acts as a reminder to employees that our responsibility to our clients is to provide effective and proper professional investment management advice based upon unbiased independent judgment and to set standards for employee conduct in those situations where conflicts of interest are most likely to arise. The Code also incorporates procedures that allow us to monitor employee activity for compliance with the Code.

The following is a summary of the key provisions of the Code:

1. **Scope** - The Code covers all directors, officers, partners, employees, and any other persons who provide advice on behalf of the Firm and who are under our supervision and control (collectively referred to as “Supervised Persons”).
2. **General Principles** - The Code contains a Statement of General Principles summarized as follows:

*The Firm is dedicated to providing effective and proper professional investment management services to its clients and depends upon a high level of public and client confidence for its success. That confidence can be maintained only if the Firm’s Supervised Persons observe the highest standards of ethical behavior in the performance of their duties. The Firm has the obligation to exercise its authority for the benefit of its clients, to place the interest of its clients first and to refrain from having outside interests that conflict with the interests of its clients. The Firm and its Supervised Persons must avoid any circumstances that might adversely affect or appear to affect the Firm’s duty of complete loyalty to its clients.*

3. **Personal Securities Trading** - All Supervised Persons deemed to be Access Persons are subject to trading restrictions. Such restrictions include a requirement that we pre-approve certain personal securities transactions. In addition, Access Persons must report their personal securities transactions quarterly and personal securities holdings annually.
4. **Code of Conduct** - The Code contains a Code of Conduct designed to reflect our commitment to ethical conduct. It covers a number of topics, including conflicts of interest, compliance with legal and regulatory requirements, confidentiality of client information, gifts and entertainment, board directorships and outside business activities. We also maintain separate Insider Trading Policies and Procedures.
5. **Code Violations** - The Code requires that all Supervised Persons report any actual or apparent violation of the Code. Appropriate sanctions are included for Code violations.

6. **Compliance Oversight** - Our Chief Compliance Officer ("CCO") is responsible for compliance oversight of the Code of Ethics.

A copy of our Code of Ethics is available upon request. Please contact Young Chung at (212) 213-6053 for a copy of the Code.

#### **B. Transactions with Clients**

We may offer investors the opportunity to invest in the funds for which we act as investment manager. These private offerings are for membership interests. We or a related party are the managing member or act in a similar capacity for the funds. We may recommend these opportunities to those investors whose investment objectives match that of these funds and only if such investors are "qualified purchasers" as defined under the Investment Company Act of 1940 and "accredited investors" under the Securities Act of 1933. A conflict of interest exists because we act as managing member of those funds, and therefore we have a financial interest in them.

We address this conflict by having a policy to manage all advisory accounts in a manner that maximizes investment performance within the investment guidelines of each of the funds, without regard to the ownership interest we have in them. Also, we are committed to recommending the most suitable investment programs to investors based on the funds' objectives. Supervisory personnel monitor the fund portfolios and the performance of those portfolios on a regular basis to ensure that they are being managed in accordance with those guidelines.

#### **C. Investing in the Same Securities as Clients**

From time to time, our employees may buy or sell securities that we recommend to clients. This represents a conflict because certain employees are in a position to take advantage of prior knowledge of a trade to be made on behalf of the funds. While we do not generally aggregate trades for the funds, if such a trade were to take place, employees would not participate in such trades and will only be permitted to trade in those securities once all fund trades have been executed for that day.

In addition, we address this conflict through our Code of Ethics, which requires pre-clearance of all trades (other than mutual funds) to ensure that the interests of clients supersede those of our personnel.

## Item 12. Brokerage Practices

### A. Factors in Broker Selection

While our strategy does not involve a significant amount of trading of individual securities, from time to time, we do trade mutual funds, ETFs, preferred stock and other fixed income products. In selecting brokers to effect portfolio transactions, we consider such factors as price, the ability of the brokers to effect the transaction, the brokers' facilities, reliability and financial responsibility and products or services offered by the broker that may benefit us in advising clients. We may select certain broker-dealers who will charge commissions or markups/markdowns higher than the lowest available in recognition of the value of services provided by the broker-dealers to us.

#### 1. Research and Other Soft Dollar Benefits:

##### a. Use of client brokerage commissions to obtain research or other products or services.

We do not direct specific trades to brokers to obtain research or other products. The brokers, as a result of trades directed to them, provide us with certain products and services at no additional cost to us, including daily market updates and quarterly and annual market outlook reports. While these services benefit the funds, they also benefit us as a firm. The brokerage firms also provide us with software and other technology that provides access to account data, facilitates trade execution, provides pricing information and other market data and other products or services that provide lawful and appropriate assistance to our Firm in performance of our investment decision-making responsibilities. Without this arrangement, we might be required to purchase some or all of these services at our own expense.

##### b. Disclosure of incentive to select or recommend a broker-dealer based on receipt of research and other products.

As a result of receiving the services discussed in this section above for no additional cost, we may have an incentive to continue to use or expand our use of the brokers to whom we direct trades. We examined this potential conflict of interest when we chose to enter into the relationship with those firms and we have determined that our relationship with them is in the funds' best interests and satisfies our obligations to the funds, including our duty to seek best execution.

##### c. Disclosure that clients may pay commissions higher than those charged by other broker-dealers (known as paying-up).

The commissions and/or markups/markdowns that the funds pay may be higher than another qualified broker-dealer might charge to effect the same transaction, although we have determined in good faith that such fees are reasonable in relation to the value of the brokerage and other services that we receive from the brokerage firms.

**d. Disclosure that we use soft dollars to service all of our clients**

We do not direct specific client trades to brokers in exchange for soft dollar benefits.

However, in placing orders for the execution of portfolio transactions for client accounts to specific brokers, we reserve the right to consider such factors as research and other services provided by such brokers as long as such research and other services are compliant with Section 28(e) of the Securities Act of 1934. In these cases, soft dollar benefits may or may not be used to service all clients.

**e. Disclosure as to the products and services we receive with client brokerage commissions**

See the description in 1(a) above in this Section.

**f. Explanation of the procedures we used during our last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits we received.**

We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits. Our selection of broker-dealers is based on the selection criteria outlined in 12(A) above. We have procedures in place to review the execution quality and other services provided by them and such reviews take place on a regular basis.

**2. Brokerage for Client Referrals:**

**a. Recommending a broker-dealer for receiving client referrals**

We do not receive investor referrals in exchange for selecting or recommending broker-dealers for fund transactions.

**b. Procedures for directing client transactions to a particular broker-dealer in return for client referrals.**

We do not direct fund transactions to broker-dealers in return for investor referrals.

**3. Directed Brokerage:**

**a. Recommending, requesting or requiring that a client directs us to execute transactions through a specified broker-dealer.**

Since we, or our affiliates, act as managing member or general partner for the funds, and have sole discretion, we require the funds to execute transactions through specific brokers.

**b. Client directed brokerage**

Since we, or our affiliates, act as managing member or general partner for the funds, and have sole discretion, the issue of client directed brokerage is not applicable.

**B. Aggregating the purchase and sale of securities for client accounts**

While we do purchase and sell a limited amount of individual securities for the funds, because of the differences in investment strategies, the opportunity to aggregate the purchase and sale of those securities is extremely limited. If the circumstances were such that aggregating a trade was appropriate, we would do so, providing that making such a trade would be in the best interests of the funds.

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

### **A. Periodic Review of Client Accounts**

On a monthly basis, we perform a comprehensive review of the performance and positions in the funds. Such review is performed by our Managing Member or a designated person and they document and remediate any material exceptions. In addition, we have retained the services of an independent third party administrator (“TPA”) who performs reviews and reconciles positions on a monthly basis. The TPA also prepares monthly NAV statements for all investors in the funds after it has completed its reviews.

### **B. Review of Client Accounts on Other than Periodic Basis**

We and our TPA will review performance during unusual market conditions.

### **C. Content and Frequency of Client Reports**

On a monthly basis, we provide clients with written “tear sheets” that provide monthly performance and year to date performance, comparisons to certain indexes, manager commentary and a summary of the asset allocation for the funds.

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

### **A. Economic Benefits from Third Parties**

For economic benefits that we receive from our broker-dealers, please refer to Item 12 above. Aside from those benefits, we do not receive an economic benefit for providing investment advice from anyone other than the funds we advise.

### **B. Compensation to Third Parties for Referrals**

We do not compensate third parties for referrals.

**Item 15. Custody**

For the funds, we are considered to have custody over fund assets because we or our affiliate can direct the movement of funds and securities. Either Investors in the funds receive annual audited financial statements or the Firm requires a custody audit for any fund that does not have an annual financial audit. If the fund is not a fund of funds audited financials are distributed to Investors within 120 days of the fund's fiscal year end. If a fund is considered a fund of funds, the investors will receive the audited financials within 180 days of the fund's fiscal year end.



## **Item 16. Investment Discretion**

All investors in the funds receive the private placement memorandum (“PPM”). The PPM describes that we have broad discretion to invest fund assets. Investors execute a subscription agreement and an operating agreement in which they agree to be bound by the terms of the PPM and the agreements.

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

### **A. Proxy Voting Authority**

We will vote proxies in a manner consistent with the best interests of our clients (the funds). Proxies or other actions requiring a vote by the funds will be reviewed on an individual basis and we will generally vote with management, unless it is not deemed to be in the best interest of investors. In cases where the Firm does not vote with management, we will document and maintain the reasons for the vote in accordance with recordkeeping requirements.

Should a vote be deemed to present a material conflict of interest, such as a conflict between the interests of the client on the one hand and those of the Firm on the other hand, then the matter is subject to resolution by notifying clients and receiving their consent prior to voting.

Clients may obtain a copy of our proxy voting procedures by contacting us at the number on the cover page of this brochure.

The CCO is responsible for ensuring that all proxy voting information is properly documented, and that client requests for copies of policies and procedures, voting guidelines and/or how the Firm voted proxies is made available in a timely manner and that delivery of such information is documented.

### **B. Client Voting of Proxies**

Because we only advise the funds, there would be no circumstances where our clients would vote their own proxies.

## **Item 18. Financial Information**

### **A. Solicitation or prepayment of more than \$1,200.00 in fees**

We do not require nor do we solicit prepayment of more than one thousand two hundred dollars (\$1,200.00) in fees per client, six (6) months or more in advance. Therefore, we have not included a balance sheet for our most recent fiscal year.

### **B. Financial Condition Disclosure**

Although we do have discretionary authority over the funds, we do not have any financial condition to disclose that is likely to impair our ability to meet our contractual commitments to the funds.

### **C. Other Financial Disclosures**

We have never been the subject of a bankruptcy petition.

