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Form ADV, Part 2A - Firm Brochure

September 1, 2015

This Brochure provides information about the qualifications and business practices of PreserverPartners, LLC (the "Firm"). If you have any questions about the contents of this Brochure, please contact us by telephone at (901) 755-4737 or by e-mail at info@preserverpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. The Firm is a registered investment adviser. The term "registered investment adviser" reflects the Firm's registration with the SEC and does not imply a certain level of skill or training.

Additional information about the Firm is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This Item 2 discusses only specific material changes that are made to this brochure since the last annual update. There are no material changes to report as PreserverPartners, LLC is a new SEC reporting adviser.

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Item 4. Advisory Business

The Company

PreserverPartners, LLC ("Preserver" or the "Firm") is an independent investment management firm based in Memphis, Tennessee. Preserver is a Tennessee limited liability corporation that was organized in July 2009, and has been providing investment management services since 2010. The Firm's principal owner, Founder and Chief Investment Officer is Floyd Tyler.

Advisory Services

Preserver provides discretionary advisory services to privately offered pooled investment vehicles (the "Private Funds") and a registered investment company (the "Mutual Fund"; the Private Funds and the Mutual Fund collectively are referred to herein as the "Funds" and individually as a "Fund"). Preserver serves as General Partner to the Private Funds and as Adviser to the Mutual Fund. The Funds currently offer strategies, which seek current income and capital appreciation with low volatility compared to the major equity and fixed income markets.

Each Private Fund has different investment features, which may include varying levels of management fees, withdrawal rights, investment guidelines, investment minimums, and liquidity terms. This Brochure should not be considered an offering document for the Private Funds and investors should refer to the specific Private Fund's offering memorandum for a complete description of that Fund, including its strategy, risks, conflicts of interest, and expenses. Preserver tailors its investment advisory services for a Private Fund to its overall investment program, and not to the needs of any underlying investor therein. The Mutual Fund's investment objectives and guidelines are set forth in the Mutual Fund's prospectus.

The portfolios for Funds managed by Preserver may include but are not limited to investments (domestic and foreign) in common stock, preferred stock, convertible securities, real estate investment trusts, private placement securities, private funds, registered investment companies, and structured products.

The Private Funds are exempt from registration as an investment company under either Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "Company Act").

Assets Under Management

As of July 31, 2015, Preserver managed regulatory assets under management of approximately \$32,000,000 on a discretionary basis. Preserver does not manage assets on a non-discretionary basis.

Item 5. Fees and Compensation

The fees applicable to each Preserver Private Fund are set forth, in detail, in each Fund's governing documents. Private Fund investors generally pay a management fee to Preserver (the "Management Fee") that accrues monthly in the Fund, equal to an annual rate between .80% and 1.00% of net assets. Management Fees are payable quarterly in arrears and deducted directly from the investors' assets then paid to the Firm.

Preserver may, in its sole discretion reduce, waive or calculate differently the Management Fee for a given period for a particular client. For example, Preserver may negotiate its Management Fee because of a client's asset level in a portfolio or a client's specific situation. Preserver may enter into side letters or

similar agreements with certain investors in the Private Funds, granting such investor specific rights, benefits or privileges. Preserver's investors do not pay Management Fees in advance.

Management fees are exclusive of brokerage commissions, custodial fees, transaction fees, and other investment related costs and expenses. Broker-dealers executing trades generally charge a brokerage commission on equity securities and a markup or markdown on fixed income securities. Although there is no formal brokerage expense on fixed income securities, the Funds will incur the implicit trading costs reflected in the broker-dealer spreads. In addition to brokerage expenses, the Funds may be subject to costs and expenses that include, but are not limited to, custodial fees, trading costs, research related expenses, legal and audit expenses, tax, and administrative fees, as described in greater detail in each Fund's governing documents. Additional information regarding the factors that Preserver considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation is described below in *Item 12 - Brokerage Practices*.

Neither the Firm nor its officers, directors or employees ("supervised persons") accept compensation from the Firm or from any client of the Firm for the sale of securities or other investment products, including asset-based sales charges or service fees.

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

Neither Preserver nor any of its supervised persons receive performance based fees. Preserver Funds are not subject to any performance based fees.

Item 7. Types of Clients

Preserver provides investment management services to pooled investment vehicles and a registered investment company. The limited partners and shareholders of the Funds include, but are not limited to, the following categories: individuals, foundations, pensions, trusts, IRAs, and corporations. As Preserver grows, additional categories may be added.

Preserver's Private Funds are offered in the United States and limited to "accredited investors" as defined under Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and therefore not required to register as investment companies under the Investment Company Act in reliance upon the exemption under Section 3(c)(1) for funds whose securities are not publicly offered.

Investments in Private Funds generally require a minimum investment of \$250,000. Investments in the Mutual Fund generally require a minimum investment of \$100,000 for the institutional share class and \$2,000 for the retail share class. In the Private Funds, the Adviser may accept lesser amounts, in its discretion.

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

Preserver's investment process is primarily based on extensive research and focused on investing opportunistically across a variety of asset classes and security types through private funds and a public registered investment company (collectively, the "Funds"). Preserver generally seeks to generate current income and capital appreciation with low volatility compared to the major equity and fixed income markets.

Preserver has focused, hybrid portfolios where returns are generated through high current income and moderate capital appreciation without leverage. Preserver invests directly in individual securities and employs external investment managers (“Manager”) to execute the investment objectives of the Firm’s multi-asset private fund and the open-end mutual fund. In both strategies, Preserver determines the portion of the Fund’s assets to be allocated to itself and to other investment managers for investment (“Allocated Assets”). In identifying investments for Allocated Assets, Preserver focuses on an equity-like total return potential, current income potential of 2-3% for equity-focused strategies and 5-6% for other strategies, moderate correlation to equity and fixed income markets as well as investment liquidity. In selecting Managers and their percentage of Allocated Assets, Preserver considers the alternative investment strategies employed by the Manager, including any regional, sector or style focus, the securities utilized to implement these strategies and the correlation of the performance and the investment risks of these strategies and underlying holdings with those of Allocated Assets managed by Preserver and Managers. The effect of existing and developing market, economic and/or financial trends on the success of a Manager’s investment strategies will be evaluated in determining whether to employ a particular Manager and the percentage of Allocated Assets to delegate to that Manager.

Preserver’s method of analysis and fundamental framework to investing is to apply a Qualitative Assessment, Valuation Assessment and Risk Assessment to sub-asset classes.

Qualitative Assessment

- Fact-finding review of the sub-asset class by researching articles, presentations, white papers, interviews, webinars, etc.;
- Determine 1) Why does opportunity exist, 2) Where in the cycle for the sub-asset class and 3) Why risk is mispriced; and
- Determine bull and bear case for sub-asset class.

Valuation Assessment

- Compare absolute and relative valuations to other sub-asset classes and to historical valuations;
- Determine if other factors may be depressing valuations;
- Review fund flow data;
- Determine key metrics of valuation changes such as declining default rates, price multiple expansion or yield volatility;
- Quantitative review of historical performance, statistical moments, downside statistics and attribution analysis; and
- Determine expected return profile including skewness, kurtosis and high frequency of positive returns.

Risk Assessment

- Evaluate sub-asset class exposure to key risk factors such as interest rate risk, credit risk, equity risk, prepayment risk, and exposure to broad economy and specific sectors;
- Evaluate sub-asset class exposure to idiosyncratic risks unique to the sub-asset class;
- Identify potential sources of risk mitigation; and

- Using covariance and scenario analyses, estimate diversification benefits of sub-asset class.

Investment Strategies

While a comprehensive description of each Fund, including the Fund's investment objective and investment strategies are set forth in the respective Fund's offering documents, a brief description of the investment strategies offered by the Firm is set forth below:

Multi-Asset Strategy – Preserver employs its multi-asset strategy through a private fund and an open-end registered investment company (collectively, “Multi-Asset Funds”). The Multi-Asset Funds offer a unique approach to contrarian value investing by investing strategically in diverse thematic investments where there are structural inefficiencies and tactically to capture temporary market dislocations. This strategy seeks to generate consistent equity-like returns while minimizing the risk of loss. The Multi-Asset Funds’ global opportunistic approach seeks less efficient, under-followed sub-asset classes where risk is mispriced, emphasizing high current income and downside protection through thoughtful diversification and a risk-based portfolio with low volatility compared to the major equity and fixed income markets. The strategy pursues its investment objectives by principally investing in four major asset groupings: Equity, Fixed Income, Alternative Income, and Real Estate. Risk is minimized through investment selection, risk-based portfolio construction, low correlation between investments and market indices, and defensive Safe Haven investments.

Equity Strategy – The equity strategy is employed through a private fund. The strategy seeks long-term growth of capital with less risk than the broad equity market by investing in undervalued domestic equities and may hold cash in the absence of attractive investment opportunities or defensive positions in times of market stress. The investment philosophy incorporates a long equity bias targeting misunderstood companies and event driven opportunities. Portfolio risk is managed through security selection, cash balances and defensive positions.

Risk of Loss

Although Preserver manages its Funds to maximize returns and reduce the risk of loss, based on the Firm's experience and research, the value of the Funds will depend on the performance of the underlying debt instruments and securities in which they are invested. Investing in securities involves risk of loss that clients should be prepared to bear. Preserver does not represent or guarantee that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Preserver cannot offer any guarantees or promises that a client's financial goals and objectives will be met.

The material risks set forth below are qualified in their entirety by more detailed risk disclosures in the applicable private fund or registered investment company offering documents.

Undervalued Securities

Preserver's investment strategies seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the

opportunities for above average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from such investments may not adequately compensate for the business and financial risks assumed. Preserver may make certain speculative investments in securities, which it believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. In addition, a Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of a Fund's capital may be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, such purchases may be financed with borrowed funds and thus interest will have to be paid on such funds during the waiting period.

Equity and Equity Related Securities

Preserver may invest in equity and other equity related securities, which are subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk, and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. Equity securities include common stocks, preferred stocks, interests in real estate investment trusts, convertible securities of U.S. and foreign corporate issuers including equity securities of smaller companies, equity interests of trusts, partnerships, joint ventures, and stock purchase rights. The value of equity securities depends on business, economic and other factors affecting those issuers. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations may be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments may decline over short or extended periods.

Fixed Income Securities

Preserver may invest in fixed income securities including mortgage-backed securities (including collateralized mortgage obligations of U.S. issuers), asset-backed securities, municipal securities, and corporate debt securities of U.S. and foreign issuers; commercial paper, zero coupon securities, loan participations, and inflation-protected securities of U.S. issuers, U.S. Government Securities, foreign government securities, and U.S. short-term money market instruments.

Risks of fixed income securities

Credit Risk Changes in the ability of an issuer to make payments of interest and principal and in the markets' perception of an issuer's creditworthiness, will also affect the market value of that issuer's debt securities. The financial condition of an issuer of a fixed income security held in the Fund may cause it to default on interest or principal payments due on a security. This risk generally increases as security credit ratings fall.

Interest Rate Risk The market value of the interest-bearing debt securities held in the Fund will be affected by changes in interest rates. There is normally an inverse relationship between the market value of securities sensitive to prevailing interest rates and actual changes in interest rates. The longer the remaining maturity (and duration) of a security, the more sensitive the security is to changes in interest rates. All fixed income securities, including U.S. Government Securities, can change in value when there is a change in interest rates. As a result, an investment in the Fund is subject to risk even if all fixed income securities in the Fund are paid in full at maturity.

Pre-Payment and Extension Risk Certain fixed income securities may be subject to extension risk, which refers to the change in total return on a security resulting from an extension of the security's maturity. Issuers may prepay fixed rate securities when interest rates fall, forcing the Fund to invest in securities with lower interest rates. Issuers' fixed income securities are also subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors that may restrict the ability of the issuer to pay, when due, the principal of and interest on its debt securities. The possibility exists therefore, that, as a result of bankruptcy, litigation or other conditions, the ability of an issuer to pay, when due, the principal of and interest on its debt securities may become impaired.

Credit Quality Risk Preserver generally invests in investment grade and non-investment grade fixed income securities. Fixed income securities are considered to be of investment grade quality if they are rated "Baa" or higher by Moody's Investor Service, Inc. ("Moody's") or "BBB" or higher by Standard & Poor's Corporation ("S&P"), or are unrated and are deemed to be of comparable quality by Preserver or a Manager ("Investment Grade Securities"), at the time of purchase.

Preserver may retain securities whose rating has been lowered (or that are unrated and determined by Preserver or a Manager to be of comparable quality to securities whose rating has been lowered below investment grade) if Preserver or a Manager determines that retaining such security is in the best interests of the Fund. Because a downgrade often results in a reduction in the market price of the security, the sale of a downgraded security may result in a loss.

Mortgage Backed Securities The value of mortgage-backed securities may be significantly affected by changes in interest rates, the markets' perception of issuers, the structure of the securities, and the creditworthiness of the parties involved. The ability of a Fund to successfully utilize mortgage-backed securities depends in part upon the ability to forecast interest rates and other economic factors correctly. Some mortgage-backed securities have structures that make their reaction to interest rate changes and other factors difficult to predict. Prepayments of principal of mortgage-backed securities by mortgagors or mortgage foreclosures affect the average life of the mortgage-backed securities. The occurrence of mortgage prepayments is affected by various factors, including the level of interest rates, general economic conditions, the location and age of the mortgages, and other social and demographic conditions. In periods of rising interest rates, the prepayment rate tends to decrease, lengthening the average life of a pool of mortgage-backed securities.

In periods of falling interest rates, the prepayment rate tends to increase, shortening the average life of a pool. The volume of prepayments of principal on the mortgages underlying a particular mortgage-backed security will influence the yield of that security, affecting a Fund's yield. Because prepayments of principal generally occur when interest rates are declining, it is likely that a Fund, to the extent it retains the same percentage of fixed income securities, may have to reinvest the proceeds of prepayments at lower interest rates than those of their previous investments. If this occurs, a Fund's yield will correspondingly decline. Thus, mortgage-backed securities may have less potential for capital appreciation in periods of falling interest rates (when prepayment of

principal is more likely) than other fixed income securities of comparable duration, although they may have a comparable risk of decline in market value in periods of rising interest rates. A decrease in the rate of prepayments may extend the effective maturities of mortgage-backed securities, reducing their sensitivity to changes in market interest rates. To the extent that a Fund purchases mortgage-backed securities at a premium, unscheduled prepayments, which are made at par, result in a loss equal to an unamortized premium.

To lessen the effect of the failures by obligors on mortgage assets to make payments, CMOs and other mortgage-backed securities may contain elements of credit enhancement, consisting of either (1) liquidity protection or (2) protection against losses resulting after default by an obligor on the underlying assets and allocation of all amounts recoverable directly from the obligor and through liquidation of the collateral. This protection may be provided through guarantees, insurance policies or letters of credit obtained by the issuer or sponsor from third parties, through various means of structuring the transaction or through a combination of these. A Fund will not incur any additional fees for credit enhancements for mortgage-backed securities, although the credit enhancement may increase the costs of the mortgage-backed securities.

High Yield Securities High yield bonds, commonly referred to as “junk” bonds, are highly speculative securities that are usually issued by smaller, less credit-worthy and/or highly leveraged (indebted) companies. Compared with investment-grade bonds, high yield bonds carry a greater degree of risk and are less likely to make payments of interest and principal. Market developments and the financial and business conditions of the corporation issuing these securities influence their price and liquidity more than changes in interest rates, when compared to investment-grade debt securities. Insufficient liquidity in the high yield bond market may make it more difficult to dispose of high yield bonds and may cause products in the portfolio to experience sudden and substantial price declines. A lack of reliable, objective data or market quotations may make it more difficult to value high yield bonds accurately.

Asset-Backed Securities Like mortgages-backed securities, the collateral underlying asset-backed securities are subject to prepayment, which may reduce the overall return to holders of asset-backed securities. Asset-backed securities present certain additional and unique risks. Asset-backed securities typically have no U.S. government backing. Additionally, the ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Credit card receivables are generally unsecured and the debtors are entitled to the protection of a number of state and Federal consumer credit laws, many of which give such debtors the right to set-off certain amounts owed on the credit cards, thereby reducing the balance due. Automobile receivables generally are secured by automobiles. Most issuers of automobile receivables permit the loan servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the asset-backed securities. In addition, because of the large number of vehicles involved in a typical issuance and the technical requirements under state laws, the trustee for the holders of the automobile receivables may not have a proper security interest in the underlying automobiles. As a result, the risk that recovery on repossessed collateral might be unavailable or inadequate to support payments is greater for asset-backed securities than for mortgage-backed securities.

Loan Participations When purchasing loan participations, the portfolio assumes the credit risk associated with the corporate borrower and may assume the credit risk associated with an interposed bank or other financial intermediary. The loan participations in which the portfolio may invest may not be Investment Grade Securities. A loan is often administered by an agent bank acting as agent for all holders. The agent bank administers the terms of the loan, as specified in the loan agreement. In addition, the agent bank is normally responsible for the collection of principal and interest payments from the corporate borrower and the apportionment of these payments to the credit of all institutions, which are parties to the loan agreement. Unless, under the terms of the loan or other indebtedness, the portfolio has direct recourse against the corporate borrower, the portfolio may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a corporate borrower. If assets held by the agent bank for the benefit of the portfolio were determined to be subject to the claims of the agent bank's general creditors, the portfolio might incur certain costs and delays in realizing repayment and could suffer a loss of principal and/or interest. In situations involving other interposed financial institutions (e.g., an insurance company or governmental agency) similar risks may arise. Investors in loan participations depend primarily upon the creditworthiness of the corporate borrower for payment of principal and interest. If the portfolio does not receive scheduled interest or principal payments on such indebtedness, the net asset value of the portfolio may decline. Loans that are fully secured offer the portfolio more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation, or that the collateral can be liquidated. In the event of the bankruptcy of a borrower, the portfolio could experience delays or limitations in its ability to realize the benefits of any collateral securing a loan. Loan participations may not be readily marketable and may be subject to restrictions on resale. In addition, valuation of illiquid indebtedness involves a greater degree of judgment in determining the portfolio's net asset value than if that value were based on available market quotations, and could result in significant variations in the portfolio's daily share price.

Derivatives

Preserver may engage in transactions involving derivatives including options, futures contracts, swaps, and other derivative securities (collectively, "Financial Instruments"). Derivatives are financial contracts, whose value depend on, or is derived from, the value of underlying assets, reference rate, or index. Preserver may also engage in forward contracts, also derivatives, which are further discussed in "Foreign Currency Transactions," below. Preserver may also acquire rights/warrants issued in connection with common/preferred stock or bonds that it may hold.

Risks of Options, Futures and Other Strategies The use of Financial Instruments involves special considerations and risks, certain of which are described below.

Successful use of most Financial Instruments may depend upon the ability to predict movements of the overall securities markets, which requires different skills than predicting changes in the prices of individual securities. The ordinary spreads between prices in the cash and futures markets, due to the differences in

the natures of those markets, are subject to distortion. Due to the possibility of distortion, a correct forecast of market trends may still not result in a successful transaction.

Options and futures prices can diverge from the prices of their underlying instruments. Options and futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying instrument and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect or no correlation also may result from differing levels of demand in the options and futures markets and the securities markets, from structural differences in how options and futures and securities are traded, and from the imposition of daily price fluctuation limits or trading halts.

A Fund may be required to maintain assets as cover, maintain segregated accounts or make margin payments when it takes positions in Financial Instruments involving obligations to third parties (e.g., Financial Instruments other than purchased options). If the portfolio is unable to close out its positions in such Financial Instruments, it might be required to continue to maintain such assets or accounts or make such payments until the position expires or matures. These requirements might impair the portfolio's ability to sell a portfolio security or make an investment when it would otherwise be favorable to do so or require that the portfolio sell a portfolio security at a disadvantageous time. The portfolio's ability to close out a position in a Financial Instrument prior to expiration or maturity depends on the existence of a liquid secondary market or, in the absence of such a market, the ability and willingness of the other party to the transaction (the "counterparty") to enter into a transaction closing out the position. Therefore, there is no assurance that any position can be closed out at a time and price that is favorable to the portfolio.

Financial Instruments may entail investment exposures that are greater than their cost would suggest, meaning that a small position in a Financial Instrument could have a large potential impact on the portfolio's performance. Losses may arise due to unanticipated market price movements, lack of a liquid secondary market for any particular instrument at a particular time or due to losses from premiums paid by the portfolio on options transactions.

Private Funds

An investment in a Private Fund involves risk. Accordingly, an investment in such product is suitable only for persons of adequate financial means who have need for limited liquidity with respect to their investment and who can bear the economic risk, including the possible complete loss of their investment. Preserver urges all prospective investors to discuss the risks described in a Private Fund's offering materials and other potential risks in detail with their professional advisors prior to making an investment decision.

Emerging Markets

Preserver Funds may invest in markets worldwide, including emerging markets. Investments in emerging market securities involve a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, emerging market securities investments may be subject to the following risks: less publicly available information, more volatile markets, less liquidity or available credit, political or economic instability, less strict securities market regulation, less favorable tax or legal provisions, price controls and other restrictive governmental actions, a greater likelihood of severe inflation, unstable currency, and war and expropriation of personal property. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and

transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. The quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported. The issuers of some non-U.S. securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and, therefore, potentially carry greater risk. In addition, a private fund's investment opportunities in certain emerging markets may be restricted by legal limits on foreign investment in local securities or restrictions on the ability to convert currency or to take currencies out of certain countries.

Illiquid Positions

As part of Preserver's investment strategies, Preserver may invest in illiquid, private placement securities, restricted securities, other debt instruments or securities with limited, if any, trading volume (Preserver's registered investment company is subject to a 15% maximum of the Fund's net asset value). Illiquid securities carry the risk that a buyer may not be found for such securities. In addition, the lack of an established, liquid secondary market for such investments may have an adverse effect on the market value of the investments and on the ability to dispose of them. No assurance can be given that, if Preserver were to dispose of a particular investment, it could dispose of such investment at the previously prevailing market price. In addition, certain investments may have to be held for a substantial period of time before they can be liquidated to a Fund's greatest advantage or, in some cases, at all.

Even in the case of more liquid securities, it may also not always be possible for Preserver to execute a buy or sell order at the desired price or to liquidate a position, either due to market conditions on exchanges or daily price fluctuation limits (in the case of futures contracts and options thereon). In addition, Preserver may not be able to execute trades at favorable prices, if little trading in the securities it wishes to trade is taking place.

Tax Implications

Preserver's strategies and investments may have unique and significant tax implications, including tax consequences specific to investments in non-U.S. investments. Tax efficiency is not the Firm's primary consideration in the management of the Fund's assets. Regardless of a client's investment size or any other factors, Preserver strongly recommends that clients regularly consult with a tax professional prior to and throughout the investing of their assets.

Item 9. Disciplinary Information

Preserver has no legal or disciplinary events to disclose with respect to the Firm or its employees.

Item 10. Other Financial Industry Activities and Affiliations

Broker-Dealer Registration

Neither Preserver, nor its management persons, is a registered broker-dealer or registered representative of a broker-dealer, nor do either have any pending application to register as such.

Neither Preserver, nor its management persons, is registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities, nor do either have any pending application to register as such.

Related Persons

Broker-Dealer

Preserver maintains a third-party marketing agreement with Pursuit Capital Marketing, LLC, a registered broker-dealer (CRD# 145850), to distribute certain Funds advised by Preserver; however, the Firm does not trade through the broker-dealer. The broker-dealer maintains a separate structure and is not otherwise affiliated with the Firm.

Mutual Fund and Private Funds

Preserver is the adviser to the Preserver Alternatives Opportunities Fund, an open-end investment company registered with the SEC under the Investment Company Act of 1940, as amended. The fund is a series of the Capitol Series Trust.

Preserver is the General Partner of two private funds: Preserver, L.P., a Delaware limited partnership, and Preserver Value Opportunities Fund, L.P., a Tennessee limited partnership. Both funds are exempt from registration pursuant to Section 3(c)(1) of Regulation D.

Affiliated Non-Registered Adviser

Preserver is under common control with Preserver Media Lending Opportunities, LLC ("PMLO"), a Tennessee limited liability corporation. PMLO is a private investing entity, which makes private investments in media lending securities.

Preserver does not believe that the relationships with these entities cause a conflict of interest with clients.

Recommendation of Other Advisers

Preserver does not recommend or select other advisers for clients.

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

Preserver has adopted a Code of Ethics (the "Code") for all supervised persons pursuant to SEC Rule 204A-1. The Code describes the Firm's high standard of business conduct and fiduciary duty to its clients. The Code is designed to ensure that personal securities transactions, activities and interests of the employees of the Firm do not interfere with (i) making decisions in the best interest of clients; and (ii) implementing such decisions while allowing employees to invest for their own accounts. All supervised persons at the Firm must acknowledge the terms of the Code annually, or as amended.

The Code addresses many areas, including the Firm's expectations regarding appropriate business conduct, confidentiality obligations, prohibition on insider trading, gift and corporate opportunity policies, restrictions on outside business activities, personal securities trading procedures, and procedures for

charitable and political contributions.

Clients and prospective clients may obtain a copy of the Code of Ethics upon request to Preserver's Chief Compliance Officer at 8700 Trail Lake Drive W., Suite 105, Memphis, TN 38125.

Participation or Interest in Client Transactions

The Firm's Supervised Persons are prohibited from purchasing securities, funds or portfolios held by, or recommended to, clients (as well as related securities, e.g., warrants, options or futures) (collectively, "restricted securities"). Where a Supervised Person already holds a position in a restricted security, the Firm may, in appropriate circumstances and consistent with clients' investment objectives, recommend to advisory clients or prospective clients, the purchase or sale of such security in one of its Funds.

In order to manage any potential conflicts of interest, Supervised Persons may only sell existing positions in securities that are not currently held in any Fund and have not been held in any Fund within the past 7 days and with pre-clearance from the Firm's Chief Compliance Officer (the "CCO"). The CCO also monitors the Firm's trade blotters to ensure that no Fund acquires any security recently sold by a Supervised Person within the following 7 days.

Personal Trading

Persons subject to the Code are subject to, among other things, various restrictions relating to the acquisition of securities. These restrictions include pre-authorization and disclosure requirements, restrictions on short term trading and general prohibitions on transactions in securities in certain circumstances, including:

- when in possession of inside information;
- transactions in securities of issuers on the Firm's restricted list or during specified blackout periods;
- transactions in securities at a time when the employee intends, or knows of another employee's intention, to purchase or sell that security or an equivalent security on behalf of the Funds;
- transactions in securities in which Preserver is placing a transaction on behalf of a Fund within a certain number of business days of such order being placed by Preserver for the Funds; and
- acquisition of securities in initial public offerings.

Item 12. Brokerage Practices

Preserver has discretionary trading authority over all of the Funds it invests on behalf of. In trading, Preserver seeks "best execution", which is a combination of price and execution, as well as other factors.

Selection of Broker-Dealers

In selecting brokers to effect securities transactions for the Funds, the Firm considers such factors as price, the ability of the brokers to effect the transactions and the brokers' facilities, reliability and financial responsibility. Preserver will generally, in selecting brokers and dealers to effect transactions on behalf of its Funds, seek to obtain the best execution for the transactions, taking into account factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm and the brokerage firm's risk in positioning a block of securities.

Research and Other Soft Dollar Benefits

Preserver does not currently participate in any Soft Dollar programs nor does it consider, in selecting or recommending broker-dealers, whether the Firm or a Supervised Person received client referrals from the broker. If Preserver were to engage in Soft Dollar transactions in the future, the Firm would adopt appropriate policies and procedures.

Brokerage for Client Referrals

Preserver does not consider, in selecting or recommending broker-dealers, whether the Firm or a Supervised Person received client referrals from the broker.

Directed Brokerage

Preserver does not permit its clients to direct brokerage.

Aggregation of Orders

In carrying out its fiduciary responsibilities for appropriate trade allocation for each Fund that may invest in the same securities, Preserver may, but is not required to, aggregate the purchase or sale of securities that are appropriate for more than one Fund. To the extent that the Firm has the opportunity to aggregate trades but does not do so, clients may pay higher brokerage costs.

Trade allocation for aggregated trades is based on account guidelines, requirements to fulfill an account's investment guidelines, cash available, and securities available in the market. Preserver has established trade allocation procedures designed and implemented to ensure that all Funds are treated fairly and equitably, when aggregating orders, to prevent and manage conflicts of interest from influencing the allocation of limited investment opportunities that suit more than one Fund.

Preserver does not effect cross trades, nor does it effect cross trades between any Fund and the Firm's Supervised Persons.

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

Preserver's CCO conducts ongoing regular reviews of the accounts, transactions and security positions of each Fund. The portfolio manager also monitors the Funds' accounts on an ongoing basis. These reviews are based on each Fund's investment strategy, guidelines, objectives, and other relevant factors.

The Administrator for the Private Funds prepares reconciliation reports and completes month-end close packages. As part of the month-end review, the CCO reviews and signs off on the Administrator's independent net asset value calculation prior to the Administrator's release of the net asset value statements to investors in the Private Funds.

Reports to Clients

Clients who have invested in Preserver's Private Funds receive a monthly report directly from the Fund's Administrator. Preserver also distributes quarterly written updates of Firm and Fund activity and performance to investors. Clients in the Private Funds are delivered audited annual financial statements within 120 days after the end of each fiscal year, if applicable, and the information necessary for the client to

complete its personal annual federal income tax return. Clients who are invested in Preserver's mutual fund receive written statements directly from their account custodian on at least a quarterly basis and trade confirmations at the time of trade.

Other information may be provided, upon request, to all or individual investors at the Funds' sole discretion.

Item 14. Client Referrals and Other Compensation

Client Referrals

Preserver currently maintains a third-party marketing agreement with Pursuit Capital Marketing, LLC ("Pursuit"), a registered broker-dealer (CRD# 145850) and state registered investment adviser, to distribute certain Funds advised by Preserver. Preserver will pay Pursuit an asset-based referral fee on each new account obtained as a result of Pursuit's referral. The referral fee is subject to certain conditions and future contingencies.

Other Compensation

No persons, other than clients, provide an economic benefit to Preserver for providing investment advice or other advisory services to the Firm's clients.

Item 15. Custody

As investment manager to certain Private Funds, Preserver is deemed to have custody of such funds' assets. The Firm maintains the Funds' cash and securities with "qualified custodians". One Private Fund's financial statements are audited by a PCAOB registered accounting firm, in accordance with U.S. generally accepted accounting principles. Audited financial statements are distributed to limited partners within 120 days of the Fund's fiscal year-end. Limited partners are urged to carefully review these statements. Currently, the financial statements of one Private Fund are not audited due to an affiliated majority ownership interest.

Registered investment company clients will utilize the services of a third party custodian, which reports directly to the client.

Item 16. Investment Discretion

Preserver manages all of its Funds on a discretionary basis. Discretionary authority is established through the subscription agreement executed by each client at the outset of the advisory relationship. When selecting investments, Preserver observes the investment guidelines, limitations and restrictions placed on the management of the Funds described in the offering documents. As an adviser of a registered investment company, Preserver's authority to trade securities may also be limited by certain federal securities and tax laws.

Item 17. Voting Client Securities

Preserver has been granted authorization to vote its Funds' proxies when received from the transfer agent or custodians. With respect to securities the Firm manages for the Private Funds, Preserver has adopted proxy voting policies and procedures designed to satisfy its duties relating to proxy voting. Proxy voting decisions will be made in light of the anticipated impact of the vote on the desirability of maintaining an investment in a company, from the viewpoint of the best interests of the Funds, without regard to any other

interests. Neither the Private Funds, nor the investors in the Private Funds, may direct any vote in a particular solicitation. With respect to the registered investment company, Preserver may have authority to vote proxies on behalf of clients.

Preserver's policies and procedures outline the general guidelines for voting proxy statements. However, Preserver may vote a proxy in a manner different from the established guidelines if circumstances warrant. For example, Preserver may not vote with management's recommendation in the case of a proxy fight or a merger.

Preserver and its employees have a fiduciary duty to its clients to act in their best interest; therefore, should avoid conflicts of interests if possible. Persons involved with voting proxies should avoid discussing the proxy vote with anyone who may have conflicting interests to those of the Fund (e.g. management personnel of the issuer, Preserver affiliates with conflicting interests, etc.). If any Preserver employee determines that a material conflict of interests may exist with respect to the voting of proxies, such employee shall inform the CCO and the appropriate course of action to minimize the influence of any conflict will be implemented. In the event that Preserver votes a proxy for a security in which it has a conflict of interest, it will generally vote in accordance with its pre-established guidelines.

Preserver maintains records relating to the voting of proxies as required by applicable law and regulations.

Clients may request a copy of Preserver's proxy voting policy and procedures, as well as relevant information concerning how the Firm has voted securities, by e-mail request to dpointer@preserverpartners.com.

Item 18. Financial Information

Preserver does not receive, require or solicit prepayment of any fees from its clients in advance.

There is no financial condition that is likely to impair Preserver's ability to meet its contractual obligations to clients.

Preserver has not been the subject of a bankruptcy proceeding.

Requests for financial information should be directed to Dana Pointer by phone at (901) 755-4737 or via email at dpointer@preserverpartners.com.