



**Form ADV Part 2A: Firm Brochure**

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This brochure (the "Brochure") provides information about the qualifications and business practices of Plymouth Lane Capital Management, LLC (the "Adviser"), an investment adviser registered with the United States Securities and Exchange Commission (the "SEC") under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). If you have any questions about the contents of this Brochure, please contact the Adviser at (212) 235-2272 or by email at [compliance@plymouthlanecapital.com](mailto:compliance@plymouthlanecapital.com). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply any level of skill or training.

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

## **Item 2 – Material Changes**

This Item is not applicable.

## Item 3 – Table of Contents

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

## **Item 4 – Advisory Business**

Plymouth Lane Capital Management, LLC (the “Adviser”) is a Delaware limited liability company with its principal place of business in New York, New York. The Adviser commenced operations as an investment adviser in April 2013 and registered with the SEC on June 29, 2015. Jonathan Salinas is the managing member and principal owner of the Adviser.

The Adviser provides investment management services on a discretionary basis to pooled investment vehicles, which are intended for sophisticated investors and institutional investors (each such vehicle, an “Advisory Client” and collectively, the “Advisory Clients”). The Adviser does not tailor advisory services to the individual needs of investors in Advisory Clients (“Investors”). Investors may not impose restrictions on the investments or types of investments in which the Advisory Clients invest.

As of March 31, 2015, the Adviser had approximately \$178.8 million of net assets under management, all of which are managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

As explained more fully in each Advisory Client’s offering documents and/or governing documents (collectively, the “Offering Documents”), the Adviser is paid an asset-based investment management fee (the “Management Fee”) at rates that depend upon the sub-class or series of an Advisory Client’s shares or limited partnership interests, which generally range from 1.0% to 1.5% per annum of the net asset value of the relevant sub-class or series. The Management Fee is calculated and payable quarterly in advance on the first day of each fiscal quarter (before taking into account any accrued Incentive Allocation, as defined below). The Management Fee is adjusted for subscriptions to and redemptions from an Advisory Client during the quarter.

The Adviser instructs an Advisory Client’s custodian to deduct the Management Fee on a quarterly basis.

The Adviser (or its affiliate) may waive or modify the Management Fee for certain Investors that are employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

An affiliate of the Adviser (the “General Partner”) is entitled to receive performance-based compensation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of an Advisory Client, in the form of an incentive allocation (the “Incentive Allocation”). The rate of the Incentive Allocation generally ranges from 15% to 20%, and is subject to a loss carryforward provision and such other terms as described in each Advisory Client’s Offering Documents.

The General Partner may waive or modify the Incentive Allocation for certain Investors that are employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

Each Advisory Client bears its own operating costs and other expenses, including: legal, accounting and audit expenses, investment-related expenses such as brokerage commissions, research-related fees and expenses (subject to any applicable expense limit, as described in each Advisory Client's Offering Documents), quotation equipment and services (subject to any expense limit), expenses related to risk management of an Advisory Client's portfolio, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, bank service fees, insurance expenses, administrator fees, directors' fees and expenses, shareholder proxy voting services, and any other reasonable expenses related to the purchase, sale or transmittal of an Advisory Client's assets.

The Advisory Clients are structured in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund. In addition, the Advisory Clients will incur brokerage and other transaction costs. Please refer to Item 12 of this Brochure for a discussion of the Adviser's brokerage practices.

The Management Fee is prepaid in advance to the Adviser. As stated above, the Management Fee is adjusted for subscriptions to and redemptions from an Advisory Client during the quarter. Further, in the event that the Adviser is not acting as investment manager for an entire quarter, the Management Fee payable for such quarter will be prorated. Refunds for prepaid Management Fees generally do not apply for the Advisory Clients, as the Management Fee is charged at the beginning of each quarter and redemptions are typically not permitted prior to the end of a quarter. In the event of a mid-quarter redemption, any prepaid Management Fee will be refunded based on the number of days remaining in the applicable period.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

As noted in Item 5 above, the General Partner is entitled to receive the Incentive Allocation, subject to certain limitations.

## **Item 7 – Types of Clients**

The Adviser provides investment advisory services on a discretionary basis to the Advisory Clients. The minimum initial and additional investment amounts for Investors in the Advisory Clients are described in each Advisory Client's Offering Documents.

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

As explained more fully in each Advisory Client's Offering Documents, the Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The Adviser seeks to maximize total return while preserving capital, primarily through the purchase and sale of publicly-traded securities. Fundamental analysis is utilized to select both "long" and "short" investments from primarily U.S.-issued, publicly-traded equity and debt securities. The Adviser seeks to invest in issuers where it believes there is a misperception by the market of a security's value and where it can identify potential catalysts that will alter this misperception and lead to a revaluation of the security.

The Adviser seeks to maintain a relatively concentrated portfolio comprised of investments the Adviser believes are attractive on a risk adjusted basis. Moreover, the Adviser's detailed bottom-up fundamental research process may limit the number of different investments in the Advisory Clients' portfolios.

The Adviser generally focuses on two areas with respect to "long" investments: (i) high-growth businesses with a durable competitive advantage, and (ii) complex event-driven "special situations" (e.g., investments involving entities undergoing, or facing the prospect of undergoing, significant corporate events such as mergers and acquisitions, activism, spin-offs, recapitalizations, restructurings, reorganizations, and liquidations; investments that may be affected by material legal disputes or litigation; investments involving entities facing material legal, political, regulatory or legislative developments).

The Adviser engages in rigorous fundamental research in an effort to confirm the quality of the business or to clarify the complexity of a "special situation." In addition, the Adviser seeks to invest in situations where the Adviser believes that it can identify a temporary value dislocation or misperception due to the behavioral or structural inefficiencies of other investors. These behavioral traits may include: linear thinking, use of optical valuation, anchoring, loss aversion and myopia. The Adviser believes these behavioral flaws can cause a temporary disconnect between the intrinsic value and the market value of a security.

The Adviser's short-selling strategy is intended to not only hedge "long" exposure, but also to generate profit. With respect to short-selling, the Adviser generally focuses on businesses that the Adviser believes have unsustainable profitability due to increasing competition, underappreciated negative trends in underlying economics and other negative developments. The foundation of the Adviser's short-selling strategy is an analysis of competitive dynamics. The Adviser seeks to identify a company or industry where there is an absence of barriers to entry or cooperation in which new competitors often emerge and can undercut incumbents' pricing to capture market share. When this dynamic emerges, the Adviser believes that investors often underestimate its negative impact on earnings power, which in turn creates an opportunity for short-selling. Moreover, the Adviser conducts a similar analysis of behavioral and structural inefficiencies to identify the cause of the temporary misperceptions that provide prospects for short-selling.

Investing involves substantial risks, including the risk of total loss of capital, and may not be suitable for all investors. In addition, the following summary identifies material risks related to the Adviser's significant investment strategies and should be carefully evaluated before making an investment with Advisory Clients; however, the following does not intend to identify all possible risks of an investment with Advisory Clients or provide a full description of the identified risks:

Lack of Diversification; Concentration. The Advisory Clients' portfolios generally are not diversified among a wide range of types of securities and other instruments, geographic areas, industries or sectors. Further, the Advisory Clients' portfolios may be concentrated and therefore may consist of a small number of relatively large (in relation to its capital) positions. Accordingly, the Advisory Clients' portfolios may be subject to more rapid changes in value than would be the case if the Adviser were required to maintain a wider diversification among

types of securities and other instruments, geographic areas, industries, sectors, or a greater number of positions.

Short-Selling. The Adviser's investment program includes a significant amount of short-selling. Short-selling transactions expose Advisory Clients 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 Advisory Clients 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, on behalf of Advisory Clients, might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Small "Cap" Stocks. Investments in small capitalization stocks involve greater risk than is customarily associated with larger, more established companies. These companies often have sales and earnings growth rates that exceed those of large companies. Such growth rates may in turn be reflected in more rapid share price appreciation. However, smaller companies often have limited product lines, markets, or financial resources, and they may be dependent upon one-person management. These securities may have limited marketability and may be subject to more abrupt or erratic movements in price than securities of larger companies or the market averages in general.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser, on behalf of Advisory Clients, may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Advisory Clients' investment portfolios than if the Adviser did not engage in any such hedging transactions.

Issuer-Specific 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.

High Growth Industries. Investments in the securities of high growth companies may be very volatile. In addition, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses, have limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

Distressed Situations. Investment in distressed situations exposes Advisory Clients to significant risks, including: the difficulty in obtaining information as to an issuer's true condition, liquidity risk, political, legislative and regulatory risk, collection risk, lender liability risk, and litigation risk. Moreover, investments in distressed securities or other instruments and obligations may involve substantial litigation, time, and related expenses.

Event-Driven Special Situations Investing. Investments in complex event-driven “special situations” typically require the Adviser to make predictions about (i) the likelihood that an event will occur and the timing of that event; and (ii) the impact such event will have on the value of related securities or other instruments and obligations. If the event fails to occur, or it takes longer than expected, or it does not have the expected effect, losses can result.

The following are certain risks associated with some of the types of securities that the Adviser may recommend:

Equity Securities. The value of equity securities fluctuate in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short term 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 geo-political 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.

Non-U.S. Securities. Non-U.S. securities, non-U.S. currencies, and securities issued by U.S. entities with substantial non-U.S. operations can involve additional risks relating to political, economic, or regulatory conditions in non-U.S. countries. These risks include fluctuations in non-U.S. currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and less stringent investor protection and disclosure standards of some non-U.S. markets. All of these factors can make non-U.S. investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, non-U.S. markets can perform differently from the U.S. market.

Emerging Markets. There are greater risks associated with investments in less developed countries than investments in the U.S. and other developed markets. Political risk for many developing countries is a significant factor. During certain social and political circumstances, governments may be involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls. In comparison to more developed markets, trading volumes in emerging markets may be lower, which can result in a lack of liquidity and greater price volatility.

Derivatives. Swaps and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Advisory Clients or the Adviser. Further, transactions in derivative instruments may not be



undertaken on recognized exchanges, and will expose Advisory Clients' accounts to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Distressed Securities. The Advisory Clients may invest in securities or other instruments and obligations of entities that are experiencing significant financial or operational difficulties and may be involved in restructuring, bankruptcy, reorganization, and liquidation processes or proceedings. This area of investing is complex and multi-dimensional. The timing and amount of recoveries can be materially affected by various operational, legal, and process issues, including the conduct of the obligor entities as well as other economic stakeholders, government entities, and judicial and quasi-judicial officials. There is no assurance that the Adviser will correctly anticipate and evaluate all of these elements. Under such circumstances, the returns generated from Advisory Clients' investments may be negative or may not compensate the Advisory Clients adequately for the risks assumed.

## **Item 9 – Disciplinary Information**

This Item is not applicable.

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

This Item is not applicable.

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

Pursuant to Rule 204A-1 of the Advisers Act, the Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its employees to put the interests of the Adviser's clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. The Code is designed to address and avoid potential conflicts of interest. The Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the Adviser on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. The Adviser's policies and procedures include restrictions designed to supervise the giving or receiving of gifts and entertainment, and employees' outside business activities. In addition to compliance with the Adviser's policies and procedures, all of the Adviser's employees are required to comply with applicable federal securities laws.

The Advisor believes that its long-term business interests are best served by adherence to the principle that the interests of clients come first. The Adviser or its employees may have existing investments in some of the same securities (or related securities, e.g., warrants, options or futures) that the Adviser recommends to the Advisory Clients. Such practices may present a conflict where the Adviser is in a position to trade in a manner that could adversely affect the price at which Advisory Clients' trades are executed (e.g., place their own trades before or after the Advisory Clients' trades). The Adviser has adopted the following procedures in an effort to minimize conflicts of interest that may arise from such practices. The Adviser's employees may not make trades or investments in any reportable securities for their own accounts except, subject to preclearance requirement described below, with respect to the following: (i) sales of

securities where such securities were acquired prior to becoming an employee of the Adviser and (ii) investment or sales in a pooled investment vehicle advised by the Adviser. The Adviser requires its employees to preclear all reportable securities 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 its clients. All of the Adviser's employees are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser's employees are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Chief Compliance Officer may, in his discretion, permit employees to direct their brokers to submit duplicate trade confirmations and account statements in lieu of transaction reports if such confirmations and statements contain the requisite information.

The Adviser and its employees may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser, subject to certain restrictions and requirements. The Adviser has adopted policies and procedures governing gifts and business entertainment, which include quarterly disclosure of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Chief Compliance Officer prior to giving/receiving gifts above a certain de minimis threshold.

The Adviser, in the course of its investment management and other activities (e.g., board committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. 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 client. 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 assure that it is meeting its obligations to its clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material nonpublic 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 client or using such information for the client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client'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.

Investors and prospective Investors may obtain a copy of the Code by contacting the Chief Compliance Officer, Michael Jemal, at (212) 235-2272 or [compliance@plymouthlanecapital.com](mailto:compliance@plymouthlanecapital.com).

## **Item 12 – Brokerage Practices**

In selecting brokers and dealers to execute transactions for Advisory Clients, the Advisor seeks to obtain "best execution", taking into account a variety of factors to determine the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to, reputation, financial strength and stability, creditworthiness, the size and type of the

transaction and the broker-dealer's ability to execute the transaction, the actual executed price and the commission, research (including access to company management); and custodial and other services provided for the enhancement of the Adviser's portfolio management capabilities. In selecting a broker-dealer to execute transactions, 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 the Advisory Clients may be deemed to be paying up for research, brokerage or other services provided by a broker-dealer, which are included in the commission rate.

The Adviser receives research or other products or services other than execution from a broker-dealer and/or a third party in connection with Advisory Clients' 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, as amended ("Section 28(e)"). Research services within Section 28(e) include, but are not limited to, research reports (including market research on the economy, industries or individual companies); certain financial newsletters and trade journals; software providing analysis of securities portfolios, risk management, and performance analysis; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings and/or discussions with corporate executives and industry experts; data services (including services providing market data, company data, industry 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.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by the Adviser's personnel. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination by the Adviser of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and Advisory Clients.

The Adviser has adopted policies and procedures to evaluate broker-dealers used, review the quality of execution, and to review and evaluate its soft dollar practices. These procedures include, but are not limited to, periodic meetings by the Adviser's Best Execution Committee.

The use of Advisory Clients' 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. The Adviser may cause Advisory Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for Advisory Clients.

During the Adviser's last fiscal year, as a result of Advisory Clients brokerage commissions (or markups or markdowns), examples of services or products received by the Adviser and/or its related persons includes, but is not limited to: research reports, certain financial newsletters and trade journals, software providing analysis of securities portfolios, risk management, and performance analysis, corporate governance research and rating services, attendance at certain seminars and conferences, discussions with research analysts, meetings or discussions with corporate executives and industry experts, data services, advice from broker-dealers on order execution, and certain proxy services, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto, thereto (i.e., connectivity services between the Adviser and a broker-dealer and other relevant parties such as custodians), and trading software operated by a broker-dealer to route and transmit orders.

The Adviser has entered into "client commission arrangements" pursuant to which the Adviser may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. The Adviser excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations.

From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend investments in these private funds as investments to the clients of the broker-dealer. The Adviser may place Advisory Clients' portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if it 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 for affording the Adviser with the opportunity to participate in capital introduction programs.

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 occur, the Adviser's error correction procedure is to ensure that Advisory Clients are treated fairly. The Adviser has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy. In the event that an Advisory Client incurs a trade error as a result of the Adviser's gross negligence, willful misconduct or violation of the standard of care that is applicable to the Advisory Client account, the Adviser will

reimburse the Advisory Client. Trade errors that do not result from gross negligence, willful misconduct or other standard of care applicable to an Advisory Client are borne by the Advisory Client.

### **Item 13 – Review of Accounts**

Each Advisory Client’s portfolio is reviewed by Jonathan Salinas, the managing member of the Adviser, on an ongoing basis to ensure conformity with investment objectives and guidelines.

Investors receive reports in accordance with each Advisory Client’s offering memorandum or as otherwise described in each Advisory Client’s Offering Documents, or as otherwise negotiated with the Investor.

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

As noted in Item 12, the Adviser may execute transactions with prime brokers that sponsor events, meetings or other communications between the Adviser and potential Investors. These capital introduction services are provided incidental to other brokerage services. The Adviser is not compelled to engage broker-dealers that sponsor these capital introduction programs and does not directly compensate prime brokers for organizing these events.

The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements may create an incentive for the Adviser to select or recommend broker-dealers based on its interest in receiving 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 its Advisory Clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

### **Item 15 – Custody**

An affiliate of the Adviser is deemed to have custody of certain Advisory Client assets due to serving as the general partner to limited partnerships and intends to comply with Rule 206(4)-2 under the Advisers Act by meeting the conditions of the pooled investment vehicle annual audit provision.

### **Item 16 – Investment Discretion**

As stated in Item 4, the Adviser provides investment advisory services to Advisory Clients on a discretionary basis. The Adviser has the authority to determine (i) the securities to be purchased and sold for the Advisory Clients’ accounts (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and, (ii) the amount of securities to be purchased or sold for the Advisory Clients’ account, in each case without notice to consulting with or seeking the consent of the Advisory Clients prior to engaging in such transactions.

Certain of the pooled investment vehicles for which a related person of the Adviser serves as general partner and/or the Adviser serves as investment manager have and may in the future enter into agreements or “side letters” with certain prospective or existing Investors whereby such Investors (including persons that may be affiliated with the Adviser or its related persons) may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the pooled investment vehicle. For example, such terms and conditions may provide for special rights to make future investments in the pooled investment vehicle, other investment vehicles of managed accounts; special redemption/withdrawal rights, including those relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the Investor and/or other terms; rights to receive reports from the pooled investment vehicle 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 pooled investment vehicle and such Investor. The modifications are solely at the discretion of the pooled investment vehicle and may, among other things, be based on the size of the Investor’s investment in the pooled investment vehicle or an affiliated investment entity, an agreement by an Investor to maintain such investment in the pooled investment vehicle for a significant period of time, or other similar commitment by an Investor.

To the extent that the Adviser has authority, pursuant to the investment management agreement or other Offering Documents of the Advisory Clients, to participate in class action claims (each, a “Claim”) it will do so on a case-by-case basis. Upon receipt of a Claim, the Adviser or its designee will determine whether any Advisory Client owned the security during the period covered by the Claim. Appropriate personnel, or the Adviser’s designee, will determine whether they agree with the basis of the Claim and whether or not to participate in the Claim depending upon (i) the nature of the Claim; (ii) prospects for recovery; (iii) resources required to pursue the Claim, (iv) other relevant factors pertaining to the particular Claim and (v) any other factors that the Adviser deems relevant.

## **Item 17 – Voting Client Securities**

To the extent that the Adviser has been delegated proxy voting authority on behalf of the Advisory Clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to the Advisory Clients’ securities, such proxies are voted in the best interests of the Advisory Clients. The Advisory Clients are not permitted to direct their votes in a particular solicitation. If a material conflict of interest exists between the Adviser and an Advisory Client, the Adviser will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the Advisory Client or take some other appropriate action.

Investors can contact the Adviser at the telephone number or email address listed on the cover page of this Brochure to obtain a copy of these policies and procedures and information about how the Adviser voted with respect to securities held in the Advisory Clients’ portfolios.

As a matter of policy, the Adviser does not disclose how it expects to vote on upcoming proxies. Additionally, the Adviser does not disclose the way that it voted proxies to unaffiliated third parties without a legitimate need to know such information.

## **Item 18 – Financial Information**

This Item is not applicable.