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**Item 1 – Cover Page**

Form ADV Part 2A Brochure  
Brown Trout Management, L.L.C.

311 South Wacker Drive, Suite 6025

Chicago, IL 60606

312.374.9000

[www.chicagocapitalmanagement.com](http://www.chicagocapitalmanagement.com)

June 1, 2015

This Brochure provides information about the qualifications and business practices of Brown Trout Management, LLC (“Brown Trout” or “Investment Manager” or “IM”). If you have any questions about the contents of this Brochure, please contact Brown Trout at (312) 374-9000. 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.

Brown Trout is a registered investment adviser (“RIA”). Registration as an RIA does not imply any level of skill or training. The oral and written communications of an RIA provides you with information about which you determine to hire or retain an RIA.

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

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## **Item 2 – Material Changes**

This Brochure, dated June 1, 2015, updates the Brochure filed on April 15, 2015. This interim amendment contains the following material changes:

- (1) Chicago Capital Management, LP has withdrawn its broker-dealer and is no longer a member of Chicago Stock Exchange, Inc.

Currently, Brown Trout's Brochure may be requested by contacting Dan Lekan, Chief Financial Officer and Chief Compliance Officer at (312) 374-9004.

Additional information about Brown Trout is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **Item 4 – Advisory Business**

Brown Trout was organized as a limited liability company under Illinois law in September 1997. It currently offers discretionary investment advisory services to private investment funds it manages and separately managed accounts of unrelated entities. Additionally, Brown Trout provides advisory services to SilverPepper Merger Arbitrage Fund (“SilverPepper”), which is registered under the Investment Company Act of 1940.

Brown Trout currently serves as the investment manager for the following entities:

- Chicago Capital Management, LP (Illinois limited partnership) (the “LP”)
- Chicago Capital Management, LLC (Delaware limited liability company) (the “Onshore Feeder”)
- Chicago Capital Offshore Fund, Ltd. (Cayman exempted company) (the “Offshore Feeder”)
- Chicago Capital Master Fund, Ltd. (Cayman exempted company) (the “Master Feeder”)

The Investment Manager is the general partner of the LP and the managing member of the Onshore Feeder. The Offshore Feeder and Master Feeder are managed by two independent directors. The Master Feeder, Onshore Feeder, and Offshore Feeder invest all of their assets in the LP. For purposes of this Brochure, all four entities are collectively referred to as the “Fund.” Brown Trout also serves as the sub-advisor for two separately managed accounts (the “Separate Accounts”) for different entities. Limited partners of the LP, members of the Onshore Feeder, and shareholders of the Offshore Feeder are collectively referred to as “Fund Investors” unless specifically noted otherwise. The Fund, Separate Accounts, SilverPepper, and any other person or entity that receives investment advisory services from Brown Trout, are collectively referred to as “Clients”.

The IM does not tailor advice to individual Fund Investors. Therefore, Fund Investors may not impose investment restrictions on the Fund’s investments. Any entity that delegates trading authority to the IM over an account, such as one of the Separate Accounts or SilverPepper, may impose restrictions on the investments in its account. Such restrictions are documented in an agreement mutually executed by the IM and controlling entity of the account.

The IM does not participate in wrap fee programs.

As of April 30, 2015, the IM’s total net assets under management were \$87.3 million, all of which were discretionary.

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## **Item 5 – Fees and Compensation**

Asset-based fees (the “Management Fee”) and performance-based compensation, in the form of fees or special allocations depending on entity type (the “Performance Fee”), may differ based on share class and the initial investment amount. Details of the relevant fee structures for Fund Investors are outlined in the private offering documents of each respective entity. The Investment Manager receives a quarterly Performance Fee based on net trading profits, if any, which are subject to the high-water marks of Fund Investors.

To the extent applicable with respect to a Fund Investor, the IM receives a quarterly fixed Management Fee equal to 0.25% (1% per annum) of the total net asset value of the investment held by such Fund Investor (calculated after adjustment for reduced fees charged to different classes, if any, and before deducting any accrued but unpaid Performance Fees, any dividends paid during the quarter, and any withdrawals paid or payable during the quarter or at quarter-end). The Management Fee is payable quarterly in arrears, generally within five (5) days after the end of each calendar quarter based on the net asset value of the investment (as adjusted as described above) as of the last business day of such quarter. If a Fund Investor withdraws its investment other than at a calendar quarter-end, the Management Fee for such partial quarter will be prorated. All fees are subject to negotiation.

The IM may, in its sole discretion, reduce, waive or rebate the Management Fee with respect to any Fund Investor, including, without limitation, affiliates of the IM, in such case without entitling any other Fund Investor to the same or similar or identical reduction, waiver or rebate.

The Fund will pay all of its ordinary and extraordinary expenses, which may include, without limitation, legal, bookkeeping, accounting, auditing, recordkeeping, administration, computer and clerical expenses (including expenses incurred in preparing reports and tax information to the Fund Investors and regulatory authorities and expenses for specialized administrative services); printing and duplication expenses; investment related travel expenses, investment research expenses, market data, newswire and data processing expenses; brokerage commissions, bank charges, custody fees and borrowing costs; the expenses of the offering of interests and filing fees; annual registration fees; directors’ fees; directors’ and officers’ liability insurance; investment and operating expenses; and such other reasonable expenses necessary to perform the operation of the Fund as determined by the Fund in its sole discretion. The Fund will also pay any extraordinary expenses incurred (including taxes, indemnification costs, litigation costs, trade errors or damages). All expenses noted above incurred by the IM in connection with the exercise of its duties to the Fund are paid or reimbursed by the Fund. In addition, to the extent that the IM is not entitled to receive a Performance Fee with respect to any calendar quarter, the Fund shall

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reimburse the IM for any operating expenses incurred by the IM during such calendar quarter.

Fees for Separate Accounts are negotiated on an account by account basis and may include Management Fees and/or Performance Fees.

Brown Trout charges an asset-based fee for its service as the investment advisor to SilverPepper. The fee arrangement is described in the prospectus and Statement of Additional Information ("SAI").

*The specific manner in which fees are charged by Brown Trout is established in a Client's written agreement with Brown Trout.*

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

As disclosed in Item 5 of this brochure, Brown Trout accepts a Performance Fee from the Fund and Separate Accounts. Such performance-based fees are calculated based on a percentage share of the net profits on, or capital appreciation of, the assets of the Fund and Separate Accounts.

The Performance Fees may create an incentive for Brown Trout to cause the Fund and Separate Accounts to make investments that are riskier or more speculative than would be the case if Brown Trout were allocated only a fixed amount. Since the Performance Fees are calculated on a basis that includes unrealized appreciation as well as realized appreciation, such Performance Fees may be greater than if they were based solely on realized gains.

Conflicts could exist between the allocation of investment opportunities for sub-advised assets, investment company assets, separately managed accounts and the Fund managed by Brown Trout. Conflicts may exist due to available funds or restrictions defined in a sub-advisory investment management agreement. Brown Trout has designed its procedures to provide fair and equitable allocation between the Fund, Separate Accounts, and SilverPepper assets. Since it endeavors at all times to put the interests of its Clients first as part of its fiduciary duty as an RIA, it takes the following steps to address any potential conflicts:

1. disclose to Clients and prospective clients the existence of material conflicts of interest, including the potential for the IM and its employees to earn more compensation from some Clients than others;
2. collect, maintain and document accurate, complete and relevant Client background information to ensure that investment in the subscribed entity is appropriate for the Client's financial goals, objectives and risk tolerance and that the Client is qualified to invest;

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3. implement written policies and procedures for fair and consistent allocation of investment opportunities among the Fund, Separate Accounts, SilverPepper, and other client accounts, subject to the Client's underlying strategy, cash availability, availability of interests in the underlying accounts and other appropriate considerations;
  4. periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment; and
  5. educate employees regarding the responsibilities of a fiduciary, including the equitable treatment of all Clients, regardless of the fee arrangement.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

#### **Item 7 – Types of Clients**

Generally, Brown Trout's Clients include pooled investment vehicles, institutions and investment companies. The Fund is comprised of privately-offered investment entities that are not regulated under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") because of Section 3(c) (1) and 3 (c) (7). The Fund imposes minimum investor qualification standards and minimum investment requirements. Except as may be permitted by the IM, the minimum required initial investment in the Fund is \$250,000 by accredited investors and or qualified purchasers as defined by the securities law. Prospective investors should refer to the Fund's respective entity's private offering documents for additional important qualifications and requirements for investment and subscription documents for information on redemptions (notice, frequency etc.).

The Fund is considered a "qualified client" under Rule 205-3 of the Investment Advisers Act of 1940, as amended.

Separate Accounts are pooled investment vehicles managed and by their respective entities.

Brown Trout also acts as a sub-advisor to the SilverPepper, an investment company registered under the Investment Company Act of 1940. Prospective investors of SilverPepper should refer to its prospectus and SAI.

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

Brown Trout employs an interdisciplinary investment approach that locates and exploits investment opportunities within and across a broad range of investment strategies, which may include quantitative strategies, event strategies and arbitrage strategies. Brown Trout's investment methodology integrates an intensely disciplined,

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process-driven research program, with efficient trading execution and risk management, to optimize security selection and investment timing. “Bottom-up” capital allocation allows the IM to concentrate its investments where it finds opportunity, and to dynamically reallocate capital as the opportunity set changes over time.

**Arbitrage and Event Investing Strategy.** Brown Trout’s event investing strategy generally is market-neutral and invests around various catalysts during specified time periods. Investments are made using all securities in an issuer’s capital structure, both underlying and derivative, to craft risk/reward distributions that provide the highest risk-adjusted returns over an anticipated range of security prices. Types of event driven trades include: litigation arbitrage, contests for corporate control, and restructurings, including spin-offs, stub trades, exchange offers, bankruptcies and recapitalizations. In each investing case, the IM defines a catalyst and a time frame, evaluates the risk/reward opportunities within the issuer’s capital structure, and then establishes a position that attempts to hedge away all risks other than those associated with the intended catalyst. Trades generally are unwound once the catalyst has occurred or the time frame has lapsed.

**Risk Management.** Brown Trout’s risk management systems permit real-time examination of risk at the position, strategy, and portfolio level. Each strategy and the overall portfolio use established, detailed risk guidelines, VaR, and various stress scenarios. Liquidity and leverage risks are regularly evaluated. Hedging techniques are employed via a variety of long and short positions in financial instruments including equities, equity swaps, interest rate instruments, corporate debt issuance and foreign exchange securities as needed.

Equity derivatives are sometimes used to manage the overall volatility position of the portfolios and to make investments where directional analysis coupled with event timing is critical. The IM maintains objective diversification within each strategy and across the portfolio as total risk in any specific position can never exceed clearly defined limits. Investments can be volatile on a mark-to-market basis as they are typically tied to very public catalysts that, prior to and during the event, often result in strong market reactions. For this reason, risk management is a critical step in the research process, and the IM spends considerable time calculating break prices (using both fundamental and quantitative methodologies), which help it in balancing portfolio volatility against the achievement of the highest risk adjusted returns.

Special risks are associated with the use of the above arbitrage techniques. The success of the arbitrage strategies depends on the IM’s ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the capital markets. Identification and exploitation of the arbitrage strategies to be pursued by the IM involves uncertainty. There can be no guarantee of a correlation between the price movements of different investments. A lack of correlation could result in a loss on both sides of such a transaction. In addition, a decision as to whether, when and how to use arbitrage strategies involves the exercise of skill and



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judgment that are different from those needed to select portfolio securities, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. If the IM is incorrect in the strategies' forecasts regarding correlation, market values, interest rate trends or other relevant factors, the outcome of the strategies may result in the loss of capital. In addition, arbitrage strategies may result in greater portfolio turnover and, consequently, greater transactions costs.

### **Other Risks**

*Reliance on Management and Key Personnel:* The IM's investment advice depends on the judgment and analysis of its investment professionals. Should any of these professionals terminate their relationship with the IM, die or become otherwise incapacitated for any period of time, the IM's Clients could experience losses.

*Effect of General Economic Conditions:* The success of the IM's investment strategies may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, developments in governmental regulation and national and international political circumstances. These factors may affect the success of the businesses in which the IM's Client portfolio companies are engaged, as well as the markets for securities in those Client portfolio companies. Unexpected volatility or illiquidity could result in Client losses.

*Portfolio Turnover:* There may be times when the IM causes its Clients to engage in significant short-term trading. High portfolio turnover involves, among other things, high transaction costs, particularly through increased brokerage costs and taxes.

*Inaccurate Data:* The IM's securities analysis method relies on the assumption that the companies whose securities the IM purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While the IM is alerted to indications that data may be incorrect, there is always a risk that the IM's analysis is incorrect.

Additional information concerning a Client's investment strategy and risk management is available in its respective offering documents.

**There is no assurance the investment objectives will be achieved, and results may vary substantially over time. Investing in securities involves risk of loss that Clients should be prepared to bear.**

**Any investment strategy pursued by the Fund is in the absolute and sole discretion of Brown Trout. The Fund is under no obligation to advise existing or potential investors of a change in investment styles or strategies.**

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## **Item 9 – Disciplinary Information**

RIA's are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Brown Trout or the integrity of Brown Trout's management. Brown Trout has no information applicable to this Item.

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

Brown Trout is the general partner of the LP, which is an Illinois limited partnership that engages in proprietary trading. Its Illinois certificate of limited partnership is dated 9/23/1997. Hydra Partners, L.P. ("Hydra"), a limited partnership organized under the Illinois Revised Uniform Limited Partnership Act, as amended, was organized on December 18, 2000. Hydra's principal objective is to achieve growth of capital with consistent returns by trading and investing directly through portfolio managers in other funds, including the LP, and other financial instruments.

Hydra's general partner is Hydra Management, LLC (the "General Partner"), an Illinois limited liability company. The sole member of the General Partner, Steven Gerbel, is also the managing member of Brown Trout, the general partner of the LP.

Brown Trout is the sub-advisor of a separate account within a multi-strategy, multi-manager private investment limited partnership ("FoF"). As part of this arrangement, Hydra is a "special limited partner" in the FoF. Brown Trout receives a performance-based fee from the FoF which it remits to Hydra.

## **Item 11 – Code of Ethics**

Brown Trout has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Brown Trout must acknowledge the terms of the Code of Ethics annually, or as amended.

Brown Trout may, in appropriate circumstances, cause accounts it has management authority over to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which Brown Trout, its affiliates and/or Clients, directly or indirectly, have a position of interest. Brown

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Trout's employees and persons associated with Brown Trout are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, employees of Brown Trout and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Brown Trout's Clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Brown Trout will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Brown Trout's Clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to Client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Brown Trout and its Clients.

Brown Trout's Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Dan Lekan, Chief Financial Officer and Chief Compliance Officer.

It is Brown Trout's policy that it will not affect any principal or agency cross securities transactions for Client accounts. Brown Trout will also not cross trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

#### **Item 12 – Brokerage Practices**

Brown Trout may utilize multiple financial institutions, prime brokers, executing brokers, dealers, custodians and counterparties (collectively, the "Brokers"), subject to any restrictions imposed by its agreement with a Client. Clients have entered into margin arrangements with Brokers. Under these arrangements, the Clients may

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obtain more leverage to finance their trading activities than would otherwise be available under U.S. law. There can be no assurance that such Brokers will continue to permit Clients to utilize these arrangements in the future, and the lack of such arrangements may have a negative impact on Brown Trout's ability to implement its trading strategies.

Clients may borrow money from Brokers to finance transactions and, accordingly, Clients may pledge assets held at such Brokers as collateral to secure such borrowings. The Brokers generally will hold such assets that are not fully paid for or that do not constitute excess margin on a commingled basis. However, Brokers are required to segregate all assets of a Client not pledged to secure borrowings. Financial instruments that are not excess margin held for a Client in a margin account may, with the Client's consent, be loaned or pledged to or by a securities firm within the limits of applicable law and regulation. Brokers have no discretion in relation to the investment of a Client's assets, and will not participate in the management of the Client or otherwise be involved in the decision making process.

A Client's securities transactions can be expected to generate brokerage commissions and other costs, all of which the Client, not Brown Trout, will be obligated to pay. Brown Trout has discretion, subject to any restrictions imposed by its agreement with a Client, to select different Brokers to be used for each financial instrument transaction for the Client and to negotiate the rates and commissions the Client will pay. In selecting Brokers to execute transactions, Brown Trout need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. As part of the overall brokerage services that they may offer to Clients, certain Brokers may refer potential investors to the Client. Although the commission rates charged by such Brokers are represented as not reflecting such additional service, the commission rates charged by such Brokers may be higher or lower than the commission rates charged by other Brokers, and the Client, may be deemed to be paying for other products and services, such as the introduction of potential investors, provided by the Broker which are included in the commission rate.

Brokers will be selected generally on the basis of best execution which may be determined by considering, either provided by the Broker or paid for by the Broker to be provided by others, research and research-related products and services, and other products and services such as special execution capabilities, clearance, settlement, commission rates (and other transaction charges), net price, online pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding Clients' accounts, performance measurement data, consultations, technical data, recommendations, general reports, financial strength and stability, efficiency of execution and error resolution, quotation services, the availability of stock to borrow for short trades, custody, recordkeeping and similar services.

Products or services may be in any form (*e.g.*, written, oral or on-line) and may include research products or services; clearance; settlement; on-line pricing and financial

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information; access to computerized data regarding Clients' accounts; performance measurement data and services; consultations; economic and market information; portfolio strategy advice; market, economic and financial data; statistical information; data on pricing and availability of securities; publications (including periodicals, magazines and newspapers); electronic market quotations; charges on borrowed funds; travel; conferences; memberships in professional associations; analyses concerning specific financial instruments, companies, governments or sectors; market, economic, political and financial studies and forecasts; industry and fund comments; technical data, recommendations and general reports; and expenses of any kind.

**Soft Dollars:** Brown Trout does not currently participate in any soft dollar arrangements. However, if it were to engage in soft dollars it will not adhere to any rigid formula in making the selection of Brokers, but will weigh a combination of criteria.

**Aggregation:** Brown Trout may, but is not required to, aggregate sale and purchase orders of financial instruments with similar orders being made simultaneously for other accounts or entities, including affiliates and sub-advisory relationships, if, in its reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the specific account under management based on an evaluation that the account will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of financial instruments will be affected simultaneously with the purchase or sale of like financial instruments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of financial instruments purchased or sold. In such event, the average price of all financial instruments purchased or sold in such transactions may be determined by Brown Trout in its sole discretion.

### **Item 13 – Review of Accounts**

Brown Trout's managers periodically monitor the underlying securities in the Client's accounts and review these positions on an ongoing basis. These positions are reviewed in the overall context of their investment objectives and guidelines as well as geopolitical and macroeconomic events. A more formal review may be triggered by changing market conditions, margining requirements and custodian holdings. Brown Trout continually reviews and monitors Clients' holdings in accordance with the investment objectives as detailed in their respective agreements.

The Fund is audited annually by an independent certified public accountant that is both registered with and subject to regular inspection by the Public Companies Accounting Oversight Board ("PCAOB") and a copy of the audited financials are offered to each Fund Investor. Fund Investors are provided with applicable tax related information on an annual basis.

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In addition to annual audited financials, Fund Investors receive monthly reports of the performance of the Fund, net of all fees. Monthly reports of the Fund are prepared and verified by the Fund's independent administrator, MUFG Fund Services (Cayman) Limited. Brown Trout provides monthly summary letters to Fund Investors that may address any key personnel changes, regulatory changes or events, material changes in investment strategy or risk management processes, changes of service providers, material changes to systems or processes and market and portfolio activity.

Brown Trout's review, reporting, and other obligations for the Separate Accounts and Silver Pepper are specified in each entity's mutually executed agreement with Brown Trout.

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

Brown Trout works with select third party marketers who offer potential introductions of certain investors. As part of the overall marketing services that they offer to the IM, certain marketers may refer potential investors to Brown Trout. For a current list of these marketers, please refer to ADV Part 1, Schedule D Item 7B (1).

Brown Trout reserves the right to enter into additional, similar arrangements in the future. Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer may be motivated, at least partially, by financial gain and not because the IM's services are the most suitable to the prospective investor's needs. To address this potential conflict of interest, all referred investors are carefully screened to ensure that the IM's services are suitable to the prospective investor's investment needs, objectives and risk tolerance before any subscription is accepted.

Clients and prospective investors should refer to the applicable offering documents and subscription documents for additional information on potential conflicts of interest.

#### **Item 15 – Custody**

Because Brown Trout acts as a general partner to the LP, it is deemed to have custody of the Fund's assets under current applicable regulatory interpretations. As an RIA with custody, Brown Trout seeks to have the Fund audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the PCAOB. It is Brown Trout's policy to seek to send via email these audited financials to each Fund Investor, as appropriate, within 120 days of the Fund's fiscal year end.

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

Brown Trout's agreement with the Fund generally grants it complete discretionary authority in the relevant organizational documents and/or advisory agreements to manage the Fund's investment portfolios, without any specific limitations in writing.

Brown Trout's agreements with the Separate Accounts and SilverPepper grant Brown Trout discretion to pursue its investment strategies subject to certain restrictions and criteria specified in each Client's agreement with Brown Trout.

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

Brown Trout will vote proxies in the best interest of its Clients, typically with the goal of maximizing value for those Clients' portfolios. To that end, it endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause its Clients' investments to increase the most or decline the least in value.

Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. Clients do not direct any voting. Clients may request a copy of the IM's Proxy Voting Policy, as well as relevant proxy voting records, by making a written request to Brown Trout at the address given on the cover page of this Brochure.

*Class Actions, Bankruptcies and Other Legal Proceedings:* Generally, Brown Trout will participate and act on behalf of the Fund, and applicable Clients, in class action proceedings involving companies whose securities are held by the underlying funds. If, in its sole discretion, Brown Trout determines that the benefits outweigh the costs, Brown Trout will participate and distribute any benefit received upon settlement or otherwise to the Fund and applicable Client.

Brown Trout votes each proxy on an issue by issue basis. For additional details regarding the proxy voting policy of a Client, please refer to its respective offering documents.

#### **Item 18 – Financial Information**

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about Brown Trout's financial condition. Brown Trout has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.



# **Form ADV Part 2B Brochure**

**Steven Gerbel**

**Brown Trout Management, LLC**

311 South Wacker Drive, Suite 6025  
Chicago, Illinois 60606  
Phone (312) 374-9000

**June 1, 2015**

This Brochure Supplement provides information about Steven Gerbel that supplements the Brown Trout Management, LLC (hereinafter “Brown Trout”) Brochure. You should have received a copy of that Brochure. Please contact us at (312) 374-9000 if you did not receive Brown Trout Capital Management, LLC's Brochure or if you have any questions about the contents of this supplement.

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



### Educational Background and Business Experience - Item 2

**Steven Gerbel**

**Born: July 1, 1969**

**Education: B.S. Economics, DePaul University, 1994**

**Business Background:**

- Brown Trout Capital Management, LLC – 1997 – Present – Founder & Chief Investment Officer
- First Capital Management, LP – 1993-1997 - General Partner
- Mid-American Commodities Exchange at Chicago Board of Trade – 1992-1993 - Trader

### Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Gerbel and Brown Trout. Mr. Gerbel has not been involved in any reportable disciplinary events.

### Other Business Activities - Item 4

Hydra Partners, L.P. ("Hydra"), a limited partnership organized under the Illinois Revised Uniform Limited Partnership Act, as amended, was organized on December 18, 2000. Hydra's principal objective is to achieve growth of capital with consistent returns by trading and investing directly through portfolio managers in other funds, including Chicago Capital Management, LP, and other financial instruments.

Hydra's general partner is Hydra Management, LLC (the "General Partner"), an Illinois limited liability company. The sole member of the General Partner, Steven Gerbel, is also the managing member of Brown Trout, the general partner of the LP.

### Additional Compensation – Item 5

Mr. Gerbel does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

**Supervision - Item 6**

Mr. Gerbel is the Founder of Brown Trout and manages the office and all employees. Dan Lekan, as Chief Compliance Officer of Brown Trout, is responsible for ensuring that all employees of Brown Trout follow written compliance policies and procedures.

Brown Trout has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients. Mr. Gerbel adheres to Brown Trout's code of ethics and compliance manual as mandated. Clients may contact Mr. Gerbel at the phone number listed on the cover of this Brochure Supplement, to obtain a copy of Brown Trout's code of ethics.

Additionally, Brown Trout is subject to regulatory oversight by various agencies. These agencies require registration by Brown Trout and its employees. As a registered entity, Brown Trout is subject to examinations by regulators, which may be announced or unannounced. Brown Trout is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.

**Requirements for State-Registered Advisers - Item 7**

**This section is intentionally left blank- Our Firm is SEC registered**