

**FIRM BROCHURE
(PART 2A OF FORM ADV)**

Item 1. Cover Page

**Kettle Hill Capital Management, LLC
October 8, 2015**

This brochure provides information about the qualifications and business practices of Kettle Hill Capital Management, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 212-488-1728. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Kettle Hill Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

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

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THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES. POTENTIAL INVESTORS SHOULD REFER TO THE OFFERING DOCUMENTS OF THE APPLICABLE PRIVATE FUND CLIENTS (AS DEFINED HEREIN) PRIOR TO CONSIDERING AN INVESTMENT IN SUCH PRIVATE FUND CLIENT.

Item 2. Material Changes

The information in this Firm Brochure has been revised to reflect changes since the last Firm Brochure update in March 2014. There have been updates to the Adviser's Advisory Business (Item 4), Methods of Analysis, Investment Strategies and Risk of Loss (Item 8), Code of Ethics (Item 11), Brokerage Practices (item 12) and Investment Discretion (Item 16). As of September 22,, 2015, the Adviser had approximately \$110,588,000 of assets under management. In September 2015, the firm hired Afroz Qadeer to serve as CEO.

Please be aware that the summary in this section only discusses material changes since our last brochure filing with the SEC dated March 2014. Other amendments were made to this brochure, which are not discussed in our summary, and consequently, we encourage you to read the entire brochure in its entirety.

TABLE OF CONTENTS

Item 2.	Material Changes	2
Item 4.	Advisory Business.....	4
Item 5.	Fees and Compensation.....	5
Item 6.	Performance-Based Fees and Side-by-Side Management	6
Item 7.	Types of Clients	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9.	Disciplinary Information.....	10
Item 10.	Other Financial Industry Activities and Affiliations	11
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	12
Item 12.	Brokerage Practices.....	13
Item 13.	Review of Accounts	16
Item 14.	Client Referrals and Other Compensation	17
Item 15.	Custody	18
Item 16.	Investment Discretion	19
Item 17.	Voting Client Securities	20
Item 18.	Financial Information.....	21
Item 19.	Requirements for State-Registered Advisers	22

Item 4. Advisory Business

Kettle Hill Capital Management, LLC (the "Adviser") is an investment adviser with offices in New York, NY and Woodbury, NY that commenced operations as an investment adviser on June 1, 2003. Andrew Kurita is the principal owner of the Adviser.

The Adviser provides advisory services on a discretionary basis to its clients, which include pooled investment vehicles (the "Hedge Funds") intended for sophisticated investors and institutional investors, and a registered investment company (the Mutual Fund") for which it acts as a sub-adviser. Collectively, the Hedge Funds and Mutual Fund are referred to as the Adviser's "Fund Clients" or "Clients"

The Adviser generally will invest its Clients' assets in long and short positions in U.S. equity securities, but has broad and flexible investment authority to invest in other financial instruments.

The Adviser does not tailor advisory services to the individual needs of the investors of the Fund Clients, and investors may not impose restrictions on investing in certain securities or types of securities. Since the Adviser does not provide individualized advice to investors, investors should consider whether the respective Fund Client meets their investment objectives and risk tolerances prior to investing.

Clients may not impose restrictions on investing in certain securities or certain types of securities.

As of September 22, 2015, the Adviser had \$110,588,000 of Client assets under management. As of that date, the Adviser managed all of its Client assets on a discretionary basis.

Item 5. Fees and Compensation

A. Advisory Fees and Compensation.

Asset-Based Compensation

For services provided to the Hedge Funds, the Adviser typically receives quarterly management fees from calculated at the annual rate of 1.5%. The management fee is paid quarterly in advance based on the value of each client's assets as of the first day of each calendar quarter (adjusted for contributions but not withdrawals made during the quarter). The management fee will be prorated for any period that is less than a full calendar quarter and will be deducted in calculating the net profit or net loss of the client. The Adviser, in its sole discretion, may waive or modify the management fee for investors in the Hedge Funds that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

For services provided to the Mutual Fund, the Adviser typically receives an annualized management which is described in the Mutual Fund's prospectus. The management fee is paid monthly in arrears. In the event of termination of the advisory relationship, management fees will be prorated through the termination date.

Performance-Based Compensation

With respect to Hedge Funds, the Adviser may be entitled to a performance-based fee, which is compensation in the form of an allocation that is based on a share of capital gains on or capital appreciation of the assets of the Hedge Fund. This compensation may be paid to the Adviser or to a related person of the Adviser at a rate of 20%. The Adviser, in its sole discretion, may waive or modify the performance-based allocation for investors in the clients that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

The manner in which Asset-Based and Performance-Based Compensation is charged by the Adviser is more fully described in each Hedge Fund's offering documents.

The Adviser does not receive performance-based fees from the Mutual Fund client.

B. Payment of Fees

The Adviser deducts the quarterly investment management fees for the Hedge Funds from client accounts by instructing the client's custodian. The Adviser is paid a fee in arrears from the investment manager of the Mutual Fund

C. Other Fees and Expenses

In addition to paying investment management fees and, if applicable, performance-based fees or other compensation, Client accounts will also be subject to other investment expenses which may include legal, audit and accounting expenses (including third party accounting/administration services); investment expenses such as commissions, research fees and expenses (including research-related travel); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; and any other expenses reasonably related to the purchase, sale or transmittal of client assets. Client assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to the investment management fee paid to the Adviser. In addition, clients will incur brokerage and other transaction costs. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

D. Prepayment of Fees. The management fee is prorated for any period during which the Adviser is not providing investment advisory services for the entirety of such quarter.

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

The Adviser may receive performance-based fees, which are fees based on a share of capital gains on or capital appreciation of the assets of the Hedge Funds. The nature of these fees is described in each Hedge Fund's respective offering documents. These fee arrangements may create an incentive for the Adviser to make more speculative investments or increase the Adviser's focus on short-term profits, rather than focusing on long-term capital appreciation. This could expose the portfolios to additional levels of risk than would be faced if such fee structures were not in place.

Please refer to Item 5 above for additional information about the Adviser's fees.

Item 7. Types of Clients

The Adviser's clients consist of pooled investment vehicles including hedge funds and registered investment companies (i.e, mutual funds).

With respect to any client that is a hedge fund, the Adviser does not impose any minimum account requirement. The hedge funds are available for investment only by investors who satisfy certain suitability standards. An investor in the hedge funds is generally required make an initial subscription of at least \$250,000,subject to waiver in the sole discretion of an affiliate of the Adviser. In general, the capital contributions will be accepted quarterly; however, the Adviser reserves the right, in its sole discretion, to accept capital contributions at other times. There is no minimum balance that an investor account may not fall below.

With respect to any client that is a registered investment company, the Adviser does not impose any minimum account requirement.

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

A. Methods of Analysis and Investment Strategies

The Adviser utilizes a variety of methods to make investment decisions and recommendations. The methods of analysis include, but not limited to: fundamental “bottom-up” research, thematic research, macro-economic research, as well as use of quantitative and technical tools and analyses.

The Adviser employs the following investment strategies:

Equity. The Adviser engages in long equities strategies. The Adviser’s primary equity strategy is one that investors have traditionally have been referred to as ‘value’ investing, but may incorporate elements of a broad range of investing styles, including ‘growth’ investing and ‘growth-at-a-reasonable price’ investing. Methods of analysis may include, but not limited to: fundamental “bottom-up” research, thematic research, macro-economic research, as well as the use of quantitative and technical tools and analyses. The Adviser will generally focus on small-cap market capitalization equities, but may also invest in micro-cap, mid-cap and large-cap equities. The Adviser will hold securities for various periods of time, including from a single day to years.

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

These investment styles, methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

B. Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies.

The following is a summary of the risks associated with the Analysis and Investment Strategies used by the Adviser. For additional information, please refer to the Fund offering documents.

Lack of Diversification. Client accounts may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

Short Selling Risk. The Adviser’s investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser 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 Adviser’s 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. The value of securities of smaller, less well-known

issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Key Person Risk. Primary responsibilities for the management of Client assets are made by Andrew Kurita, the Managing Member of the Adviser. Investors in the Fund Clients have no right to manage the respective Fund client's assets. As a result, the continuation of the Fund Clients is dependent heavily upon the ability of Mr. Kurita to provide investment advice. Consequently, in the event of Mr. Kurita's death or permanent disability, the Adviser may be unable to furnish investment advice to the Funds. In such event, the Adviser will consider its options to continue its operations with respect to the Fund Clients.

C. Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).

The following is a summary of risks associated with the securities in which the Adviser invests on behalf of Fund Clients. For additional information, please refer to the respective Fund offering documents.

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

Non-U.S. Securities. While the Adviser does not anticipate foreign securities to be a core investment focus, the clients may invest in them. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Security Futures and Options. In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

PIPE Transactions. PIPE (which stands for Private Investment in Public Equity) transactions involve a commitment by investors to purchase a certain number of restricted shares from a company at a specified price. The company, in turn, agrees to file a registration statement to enable the shares to be sold to the public. Investors bear the price risk during the period from execution of the purchase agreement until the closing. PIPE transactions also involve contractual risk in that the underlying company may not honor its contractual obligations, and regulatory risk as the PIPE transaction is subject to regulatory review. Because of the restricted nature of the securities, PIPE transactions have limited liquidity while the registration statement is pending.

Item 9. Disciplinary Information

This Item is not applicable.

Item 10. Other Financial Industry Activities and Affiliations

The Adviser's affiliated entity, Kettle Hill Capital, LLC is the general partner to the Hedge Funds and is responsible for managing the business of the Hedge Funds, including the selection of the investment adviser, Kettle Hill Capital Management, LLC.

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

A. Code of Ethics. The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons 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. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Bryan Kiss (Chief Compliance Officer) by email at bk@kettlehill.com, or by telephone at 212-488-1728. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities (e.g., board or creditor 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 the Adviser is meeting its obligations to 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.

B. Investing in Securities Recommended to Clients. In addition, the Adviser or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a related person recommends to Clients. Such practices present a conflict where, because of the information an Adviser has, the Adviser or its related person are in a position to trade in a manner that could adversely affect Clients (e.g., place their own trades in order to benefit from any price movements due to the clients' trades). The Adviser has adopted the following procedures in an effort to minimize such conflicts: The Adviser requires its related persons/access persons to preclear all transactions in their personal accounts with the Chief Compliance Officer. The Adviser's Code prohibits the Adviser's access persons from executing personal securities transactions in any securities on a restricted securities list maintained by the Chief Compliance Officer. In addition, the Adviser generally prohibits access persons from executing personal securities transactions for securities in which the Adviser's Fund Clients are effecting transactions on the same day.

Item 12. Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, offering to the Adviser on-line access to computerized data regarding a client's accounts, ability to offer capital introductions, and ability to arrange meetings with issuers. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's portfolio manager and trader review and evaluate periodically the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

1. Research and Other Soft Dollar Benefits. The Adviser receives research or other products or services other than execution from broker-dealers in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. The Adviser may also enter arrangements with expert networks, matching services or other industry consultants under which the Adviser obtains research, analysis, or other data from consultants.

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.

When the Adviser uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's Chief Compliance Officer, with input from other employees of the Adviser, is required to review and evaluate periodically its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of client 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 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 clients.

Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions may be used by the Adviser in its other investment activities, including for the benefit of other client accounts. The Adviser does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. In addition, the Adviser's employees may benefit from access to research paid by the use of use of client commissions when making personal securities transactions. As discussed in Item 11, the Adviser has adopted procedures to minimize this conflict of interest.

During the Adviser's last fiscal year, as a result of client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired: research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; software used for research of securities; discussions with research analysts; meetings with corporate executives; attendance at certain conferences; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution, 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; 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.

In determining whether to direct client brokerage transactions to particular broker-dealers, the Adviser's Chief Compliance Officer reviews and evaluates the soft dollar practices of the Adviser and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer.

In some instances, the Adviser obtains 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 of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and clients.

2. Brokerage for Client Referrals. 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 these private funds as an investment to clients. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

B. Order Aggregation.

The Adviser often purchases or sells the same security for multiple clients contemporaneously/at or near the same time and using the same executing broker. It is the Adviser's practice, where possible, to

aggregate client orders for the purchase or sale of the same security contemporaneously/at or near the same time for execution using the same executing broker. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating clients.

Item 13. Review of Accounts

A. Frequency and Nature of Review. Each Client account is informally reviewed by the portfolio manager of the Adviser on a daily basis to determine whether securities positions should be maintained in view of current market conditions. Factors reviewed include specific securities held, adherence to investment guidelines and the performance of each client account.

B. Content and Frequency of Regular Account Reports. Hedge Fund investors receive reports from the respective Fund Client pursuant to the terms of each Fund Client's offering memoranda or as otherwise described in the offering document of the Fund.

The Adviser does not provide regular reports to its private fund clients, however, they do receive statements from their custodians and other reports from their administrator. Each private fund client's administrator also delivers capital statements to investors, generally monthly. Additionally, investors of the hedge funds receive annual audited financial statements within 120 days of the end of such hedge fund's fiscal year. Investors also receive any other information necessary to enable such investor to prepare their individual income tax returns.

Regarding the Mutual Fund, the Adviser provides written ad hoc reports that contain estimated daily performance returns, estimated exposures, and other portfolio information.

Item 14. Client Referrals and Other Compensation

A. Economic Benefits Received from Non-Clients for Providing Services to Clients. The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its 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.

B. Compensation to Non-Supervised Persons for Client Referrals. This Item is not applicable.

Item 15. Custody

All client funds and securities are held at qualified custodians which make account statements available to the Adviser daily via their website. In addition, the administrator for the Hedge Funds also provides account statements to the Adviser and sends official statements on behalf of the client to each of its investors on a periodic basis to the address of record.

Item 16. Investment Discretion

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

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows.

Item 17. Voting Client Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of its 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 client securities, such proxies are voted in the best interests of its clients.

If a material conflict of interest between the Adviser and a client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the client or take some other appropriate action. The Adviser does not make any qualitative judgment regarding its client's investments.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting Bryan Kiss (Chief Compliance Officer) by e-mail at bk@kettlehill.com or by telephone at (212) 488-1728.

Item 18. Financial Information

The Adviser's revenues currently do not cover the firm's operating expenses. Consequently, the firm's principal and an employee contributes capital to support the Adviser's ongoing business. In the event that the principal and employee do not make capital contributions, the Adviser would consider other financing options.