

Philadelphia Investment Partners, LLC

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Form ADV Part 2 — December 20, 2016

Item 1 – Cover Page

This brochure provides information about the qualifications and business practices of Philadelphia Investment Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 856-210-6779 or by email at pzeuli@piplp.com. 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. Registration does not imply a certain level of skill or training.

Additional information about Philadelphia Investment Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) adopted amendments to Form ADV and the rules concerning delivery of brochures to clients of registered investment advisers. Each update of the Brochure must now include a summary of all material changes since the last annual update.

This Brochure, dated December 20, 2016 is an amended document to our last annual Brochure, dated February 29, 2016, and updates and/or contains information since the last annual amendment of this Brochure.

Material Changes since the last annual update:

- The firm has added information related being an advisory to a hedge fund, the PIP Dynamic Core Fund, LP in which it may receive performance based fees (Item 6), and types of clients (Item 7).

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Item 4 – Advisory Business

Philadelphia Investment Partners, LLC (the “**Registrant**”, “**PIP**”, “**us**” or “**we**”), provides investment advisory and other services. The Registrant has been in business since 1999, and along with its affiliated entities, its Managing Member is Peter C. Zeuli, CFA.

We serve as the investment adviser to the PIP New Generation Fund (the “**Fund**”), a 40 Act mutual fund, and also manage investment advisory accounts for individual, high net worth and institutional clients (such separately managed accounts, together with the Funds, collectively referred to herein as “**Clients**”). We provide advice to Clients regarding equity securities, convertible securities, debt instruments, options, swaps, other derivatives, private securities, loans, structured products, and other investments and instruments. We generally permit Clients to impose restrictions on their accounts with respect to: (1) the specific types of investments or asset classes that we will or will not purchase for their account; (2) the nature of the issuers of investments that we will or will not purchase for their account (e.g., no “sin” issuers, such as companies primarily doing business related to alcohol or tobacco); or (3) the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole. As of January 1, 2016, we had \$77,200,000 in assets under management to which we provide advice on a discretionary basis and \$35,500,000 in assets under management to which we provide advice on a non-discretionary basis.

Throughout this brochure, we disclose a number of conflicts of interest and provide summaries of a number of our policies and procedures designed to detect and address these conflicts and others. We encourage Fund investors, Clients and prospective clients to review our policies and procedures and inquire directly with us about our conflicts. Our compliance policies and procedures are available for review in our offices. In addition, conflicts of interest and specific risks are identified in the offering materials of Funds that we manage. Please request a copy of the relevant Fund’s most current offering materials for a description of other conflicts and risks that might exist.

Item 5 – Fees and Compensation

With respect to all types of Clients, we are compensated by a management fee (a percentage of assets under management).

Separately Managed Accounts

Separately managed account Clients generally have fee arrangements that may differ depending upon the size of the account as stated below and the complexity of the type of strategy we use in managing the account. Our standard fee schedule is set forth below. These fee schedules are negotiable.

Advisory Fee Schedule prior to October 2014

| | <u>Percentage Rate</u> |
|------------------|------------------------|
| First \$99,999 | 2.50% |
| Next \$150,000 | 2.00% |
| Next \$250,000 | 1.75% |
| Next \$500,000 | 1.50% |
| Next \$1,000,000 | 1.00% |
| Next \$3,000,000 | 0.75% |
| Over \$5,000,000 | Negotiable |

Advisory Fee Schedule implemented after October 2014

Fee Schedule A

| | <u>Percentage Rate</u> |
|------------------------------|------------------------|
| First \$250,000 | 2.50% |
| Next \$249,000 - 749,999 | 2.00% |
| Next \$750,000 - 1,749,999 | 1.50% |
| Next \$1,750,000 - 3,749,999 | 1.00% |
| Next \$3,750,000 - 7,749,999 | 0.75% |
| Above \$7,750,000 | Negotiable |

Fee Schedule B

1% Management Fee and 20% of Profit _____ (Initial) or

1.25% Management Fee and 10% of Profit _____ (Initial)

Example - This fee schedule for this type of account is 1% Management Fee and 20% of profit, subject to the High Watermark Rule. The High Watermark is established each year at year end if there is an account increase. The timing to collect the fee is at the calendar year end or closure of the account. Profit Sharing Accounts do not pay performance fees if the account declines in value over the year. Withdrawals from the account will reduce the amount subject to the High Watermark Rule

For this example on January 2nd the account is opened with \$1,000,000.00:

On June 30th if the account was valued at \$1,100,000.00 the quarterly fee would be calculated $\$1,100,000 \times 1\% \times 0.25 = \2750.00 .

On December 31st if the account is valued at \$1,200,000.00 (\$200,000 value increase over the prior year high watermark or opening value) the fees are calculated as follows: $\$1,200,000 \times 1\% \times 0.25 = \3000.00 for the management fee and the performance fee would be $\$200,000 \times 20\% = \$40,000.00$. (\$43,000.00 Total)

On January 1st, the following year the high watermark will be \$1,200,000 so the account has to end the year above \$1,200,000 in order for the advisor to earn profit portion of the management fee.

Client will pay Adviser a fee for its investment advisory services. The Advisory Fee is payable quarterly in arrears. The fee will be a percentage of the market value of all assets in the Account after or around the 1st trading day the following month after the end of each quarter (ie March 31st, June 30th, September 30th & December 31st). The fee schedule is set forth in **Schedule A & Schedule B** of the investment advisory agreement. In any partial calendar quarter, the advisory fee will be pro-rated based on the number of days that the Account was open during the quarter. Client understands that Account assets invested in shares of mutual funds or other investment companies ("funds") will be included in calculating the value of the Account for purposes of computing Adviser's fees and the same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectus of those funds. Such expenses are typically paid by the funds but ultimately borne by the Investor. Advisory Fees will be billed through the Custodian to the Client, and Client agrees to have the Advisory Fees deducted from the account.

Fund

If the Fund is profitable (i.e. does not exceed the expense cap) the fund will pay us a management fee up to 1.49% annually of the Net Asset Value ("NAV") of the Fund. The management fee is accrued daily as part of the daily NAV.

Additional Expenses

Our fees are exclusive of brokerage commissions, transaction fees, custodial fees, and other related costs and expenses, all of which are incurred by the Client. Please refer to Item 12 for additional information regarding the factors we consider in selecting broker-dealers for Client transactions, and in determining the reasonableness of their compensation.

Related Conflict

Affiliated and Unaffiliated Sub-Advisers From time to time, we may retain sub-advisers to provide discretionary management to Clients (through investment funds, managed accounts or other structures) with respect to discrete portions of Client assets. Compensation (including, without limitation, management and other fees, carried interest, profit participation and reimbursement of operating and other expenses) to sub-advisers that are not affiliated with us will be borne by Clients, and we will not offset, or pay such sub-advisers from, our management fees. However, we do offset the compensation we receive against compensation received by us on mutual funds that are advised by us to avoid a "double-dip" on fees for the same portion of assets.

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

We may charge performance-based fees to "qualified clients" (clients having a net worth greater than \$1,000,000 or for whom we manage at least \$ 500,000), immediately after entering an agreement for our services. Performance-based fees are fees based on a share of capital gains or capital appreciation of a client's account. The amount of the performance based fee we charge is described in the "Fee Schedule B" in the **Item 5 – Fees and Compensation** section in this Brochure.

We manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by side management"). Performance-based fees and side-by-side management may create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, our firm frequently reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Performance based fees may also create an incentive for our firm to overvalue investments which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments which do not have a readily ascertainable value.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance based fees over clients who are charged asset based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

In addition, the firm may potentially receive performance based fees for the performance of the PIP Dymanic Core Fund, LP. This is an investment partnership that is purchased on a subscription basis and are only offered to prequalified investors. Typically, there are no side by side conflicts of interest because firm does not manage these strategies in any other non-performance based manner. Performance based fees may give investment managers incentive to make more speculative or riskier investments than accounts without performance based fees. The performance based fees for these investments are disclosed in the Confidential Private Offering Memorandum that each investor receives and should read carefully prior to investing.

Item 7 – Types of Clients

As noted in Item 5 above, we advise separately managed accounts for individuals, high net worth individuals, institutional pension plans, charitable organizations, state and municipal entities, and pooled investments (investment partnerships/investment limited partnerships). The minimum dollar value for

establishing an advisory account is generally \$100,000, although we may accept lesser amounts in our discretion. The Fund also requires an initial investment of \$2,500 for Non-Qualified Accounts and \$1,000 for Individual Retirement Accounts (“IRA”).

Termination provisions for advisory contracts for separately managed accounts are subject to negotiation but generally may be terminated on 30 days written notice. Generally, the Funds’ investment advisory contracts may be terminated at any quarter end with 30 days written notice.

The beneficial owners of separately managed accounts generally receive more information (including portfolio composition information) and have more favorable liquidation rights than investors in the Funds. We may also negotiate fees with beneficial owners of separately managed accounts that may be more favorable than the fees in place for comparable Fund.

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

We employ a range of investment strategies in managing Client assets, which include, but are not limited to:

- Asset Allocation Strategy
- Global Long/Short Strategy

Asset Allocation Strategy: Our general investment philosophy is to garner investment ideas through the use of macro-economic data coupled with top-down fundamental analysis with a quantitative overlay. Our investment process is a search for attractively valued equities positioned to benefit from the prevailing macroeconomic environment. The quantitative data determines where we need to be and our fundamental analysis allows us to determine what to buy. This has consistently been the process since the firm was founded.

We focus on economic inflections, structural changes, government policy, and secular themes in the belief that such factors bear the greatest influence on long-term fundamental performance and the recognition of value by capital markets.

Our research seeks to determine the expected level of economic activity, its composition, and relative performance of industry sectors. Simultaneously, we look for factors that will drive sustainable changes in long-term profitability and capital returns across a given industry.

On finding attractive areas for investment based on these cyclical and secular views, we determine which companies are best positioned to benefit and whether their valuations represent compelling investment opportunities. Company selection is grounded in traditional fundamental analysis focused on earnings potential, capital returns, cash flow generation, and balance sheet strength in conjunction with qualitative assessments of market position, corporate strategy, and management quality.

We believe our top-down framework provides us with superior insight into how these fundamental factors will evolve over a long-term time horizon, typically three to five years. We apply to these expectations a variety of valuation techniques including discounted cash flow analysis and relative multiples, such as price to earnings and cash flow yields.

For the Fixed Income element of this strategy, we use a top-down investment process that begins with a detailed assessment of the domestic and global economic environment. Incorporated in the process is an extensive review of current credit trends, the level of interest rates, the shape of the yield curve, and the level of volatility. We then set various parameters for the fixed income component of the strategy which

includes duration, yield curve exposure, sector weightings and credit quality. Using these parameters, we use in-depth credit analysis in addition to utilizing various value metrics to formulate decisions to select particular sectors and securities.

Investing in securities involves risk of loss that Clients should be prepared to bear. Client portfolios will reflect a higher concentration in some sectors where we have the greatest degree of conviction in our strategy themes, and a relative underweight in others. There may be exposure to international stocks and small capitalization stocks. Investing in international stocks means the portfolio is subject to currency and country risk. Small-cap companies tend to be a more volatile segment of the market. As a result Client returns may vary significantly from the benchmark returns, resulting in an above average tracking error.

Global Long/Short Strategy: Our Global Long/Short Strategy is managed in a similar way to our Global Total Return strategy except there is no Fixed Income element. The other main difference is that the Global Long/Short strategy is fully discretionary and involves frequent trading.

Frequent Trading

Some of the investment strategies we employ for Client accounts involve frequent trading of securities (in addition to, or in lieu of, longer term investments). When we employ these strategies for Clients, their portfolio turnover will be substantially greater than the turnover rates of other types of investment strategies that do not involve trading to such an extent. Consequently, expenses may be greater than for other types of strategies (e.g., additional brokerage commissions) and there may also be additional tax considerations for certain types of Clients and Fund investors.

Generally, the investment programs we employ for Clients give us the discretion to allocate capital to a wide variety of investment types. We make efforts to keep our Clients (including Fund investors) informed of any investments that constitute a material portion of their portfolio as soon as reasonably practicable.

Other Related Procedures and Conflict

Valuation of Holdings: In the absence of a particular agreed-upon method for valuing securities, we will generally value exchange traded securities at the last sales price as reported on the exchange where the issuer's securities are primarily traded. This is done automatically by our portfolio management system on an overnight basis. If no sales for those securities are reported on a particular day, the securities will be valued based upon their composite bid prices for securities held long, or their composite ask prices for securities sold short, as reported by the exchange. Securities traded primarily on NASDAQ will be valued at the NASDAQ Official Closing Price.

Item 9 – Disciplinary Information

Form ADV Part 2 requires investment advisers such as Philadelphia Investment Partners, LLC to disclose legal or disciplinary events involving the firm or our partners, officers, or principals that are material to your evaluation of our advisory business or the integrity of our management. At this time, we have no information to report that is applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

The Registrant is only registered as an investment adviser. Rafferty Capital Markets LLC services as the medallion distributor to the PIP New Generation Fund, a 40Act Mutual Fund in which Philadelphia Investment Partners, LCC serves as the investment advisor

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

Code of Ethics and Personal Trading

We strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust, and we have adopted a Code of Ethics (the “**Code**”) to help us meet these standards. The Code incorporates the following principles:

- Registrant’s employees have a fiduciary duty to place the interests of clients first;
- Registrant’s employees should not take inappropriate advantage of their positions. Employees should avoid any situation that may compromise, or call into question, the exercise of their fully independent judgment in the interests of clients;
- All personal securities transactions should avoid any actual, potential or apparent conflicts of interest; and
- Independence in the investment making decision is paramount.

The Code places restrictions on personal trades by employees. Employees are required to submit to the Chief Compliance Officer quarterly brokerage statements indicating the security holdings and transactions. The Code requires pre-approval of all personal securities transactions. The Code also covers issues such as restricted lists. Any breaches of the Code will be viewed as very serious and may result in disciplinary action up to and including dismissal. Clients and prospective clients may review a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

Participation or Interest in Client Transaction

Occasionally, we may effect cross transactions for our Clients. In a “cross” transaction, one advisory Client buys or sells a security directly from another advisory Client. In these circumstances, we would not receive any compensation from the parties on either side of the transaction. These transactions are conducted subject to certain requirements. When we effect cross transactions for clients we do so only when the transaction is consistent with our duties to Clients and in compliance with applicable regulatory disclosure and consent.

Personal Trading

Subject to the Code, as described above, we and our partners, principals, and employees may engage in investment activities for our own account or for family members and friends. These activities may involve the purchase and sale of securities that are the same as, but in different concentrations or effected at different times and prices than, those purchased or sold for Client accounts. These activities may also involve the purchase and sale of securities that are different from those purchased for Client accounts.

Other Related Conflicts and Practices:

Gifts and Entertainment Brokers, counterparties, service providers and other third parties with whom we do business occasionally provide gifts and entertainment to our principals and employees. We may enter into business transactions and relationships on behalf of a Client with the donors of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in our selection and retention of these donors as service providers for Clients. To address this conflict, we have adopted policies and procedures to: 1) monitor gifts and entertainment given and received by our principals and employees; and 2) limit the value of gifts and entertainment given and received. We also have policies and procedures in place to help us monitor, and limit, the political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 under the Investment Advisers Act of 1940.

Disclosure of Portfolio and Other Information We may sometimes provide portfolio holdings information to entities that have been retained by clients to evaluate portfolio risk. We provide this information in our sole discretion, and reserve the right to cease providing information at any time. We make reasonable efforts to preserve the confidentiality of the information we provide, such as by entering into non-disclosure agreements, but we cannot ensure that the entities we provide information to will fulfill their confidentiality obligations.

In the course of conducting due diligence, Clients periodically request information pertaining to their investments, and pertaining to us. We may respond to these requests, and may provide information that is not generally made available to other Clients. When we provide this information, we do so without an obligation to update any such information provided. However, we endeavor to provide the information requested in the most current form available.

Item 12 – Brokerage Practices

General Brokerage Practice

We allocate portfolio transactions for Client accounts to broker-dealers on the basis of best execution available—i.e., execution in a manner that the Client’s total cost or proceeds in each transaction is most favorable under the circumstances. We consider a variety of factors regarding broker-dealers in seeking best execution, including:

- Average commission charged
- Executed prices of trades
- Type and size of transaction
- Services provided by the broker (other than execution, such as research, custodial and other services)
- Difficulty of transactions
- Operational facilities of the broker

Clients should expect that their securities transactions will generate a substantial amount of brokerage commissions and other costs, all of which is borne by the Client, and not us. Except in cases where a separately managed account Client has directed us to use a specific broker-dealer, we have complete discretion to decide what broker-dealers or other counterparties will be used in executing transactions for Clients, and we negotiate the rates of compensation that Clients will pay.

In addition to using brokers as “agents” and paying resulting commissions, we sometimes cause Client accounts to buy or sell securities directly from or to dealers acting as principals at prices that include

mark-ups or mark-downs, and may also cause Client accounts to buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Research and Other Soft Dollar Benefits

General Information

Fund Clients may pay for research and execution services with “soft” or commission dollars. While Clients benefit from many of the services obtained with “soft dollars” generated by Client trades, each Client will not benefit exclusively.

In addition, we and our affiliates may also derive direct or indirect benefits from soft dollar services—this is particularly true to the extent that we use “soft” or commission dollars to pay for expenses that we would otherwise be required to pay for out of pocket. Therefore, we may have an incentive to select broker-dealers based on our interest in receiving the research or other products or services at reduced cost to us, rather than based on the Clients’ interest in receiving most favorable execution.

We do not seek to allocate soft dollar benefits to Client accounts proportionally to the soft dollar credits those accounts generate. Rather, we use soft dollar benefits to service *all* Clients’ accounts. However, each Client may not benefit from each of the services that we pay for with soft dollars, and therefore, in the case of any particular transaction or transactions, a Client may pay higher commission rates without receiving any benefit.

As noted above, in allocating Client brokerage, we generally consider, among other things, research and execution services provided by brokers. We do not preclude allocations to brokers that do not provide research and other soft dollar services, but the proposed relationships with brokerage firms that *do* provide soft dollar services to us influences our judgment in allocating brokerage business and creates a conflict of interest.

We believe that our allocation of brokerage business will help Clients to obtain research and execution capabilities and will provide other benefits to Clients, but Client trades executed through these brokers or dealers or any other brokerage firm may or may not be at the best or lowest price otherwise available.

Soft-Dollars - Section 28(e) Safe Harbor

Section 28(e) of the Exchange Act provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain certain research and brokerage services. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. We intend that all soft dollar payments will fall within the safe harbor of Section 28(e). Section 28(e) permits an investment adviser, under certain circumstances, to cause an account to pay a broker a commission for effecting a transaction in excess of the amount of commission another broker would have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker. Below we have described examples of research and brokerage services that fall within the safe harbor of Section 28(e). We may use commissions that Clients generate for any of these eligible research and brokerage services as well as any others that fall within the safe harbor of Section 28(e).

Examples of Research and Brokerage allowed within Section 28(e)

- Traditional Research Reports
- Pre-trade and Post trade analytics

- Advice from broker/dealers on order execution
- Discussions with Research Analysts
- Proxy services that transmit reports and analyses on issuers, securities and the advisability of investing in securities
- Consultants' services that provide advice regarding portfolio strategy

During the fiscal year 2013 we used our soft dollars to pay for research services including information on economies, industries, groups of securities and individual companies, statistical, market data, political developments and portfolio management reconciliation services.

Directed Brokerage

We permit separately managed account Clients to select their own counterparties and direct us to execute transactions through a specified broker-dealer or broker-dealers. However, when acting pursuant to these instructions we may be unable to achieve most favorable execution, which can result in additional costs and expenses for the Client. For example, Clients may pay higher brokerage commissions and may receive a less favorable price when buying or selling if they cannot participate in an aggregated trade along with other Client orders executed through broker-dealers that we selected.

Trade Aggregation

When buying and selling investments for separately managed Clients, we generally aggregate multiple transactions into one block trade so that as many eligible Clients may participate equally over time on a fair and equitable basis, in terms of best available cost, efficiency and terms. Although certain Clients may be excluded from a given aggregated block trade, no Client is favored over any other on an overall, long-term basis. Each Client that participates in an aggregated block trade participates at the average price.

In assembling an aggregated order in specific securities (including privately offered investments and securities for which market quotations are not readily available) we consider the appropriateness of the investment for each Client based on their risk tolerances and objectives.

Allocation of Aggregated Orders and Other Investment Opportunities

We consider a number of factors when allocating aggregated orders and other investment opportunities to individual Client accounts. Because of the difference in client investment objectives and strategies, risk tolerances and other criteria, there may, however, be differences among clients in invested positions and securities held. The following factors may be taken into account by us in allocating securities among investment advisory clients:

- client's investment objective and strategies;
- client's risk profile;
- any restrictions placed on a client's portfolio by the client or by virtue of federal or state law (such as the Employee Retirement Income Security Act of 1974, as amended);
- size of client account;
- total portfolio invested position;
- nature of the security to be allocated;
- size of available position;

- timing of cash flows and account liquidity

We strive to provide all Clients with meaningful investment allocations over time, although each and every Client will not receive an allocation of each and every profitable investment.

We will provide additional detail about our order aggregation and allocation policy upon request. Although the above discussion provides a summary of our policy, our actual practices are governed by the policy we currently have in place, and not by this summary. We may revise or amend our policy at any time, without notice to Clients or Fund investors.

Other Brokerage Practices, Issues, and Conflicts:

Allocation of Our Time and Resources Generally, we are not subject to specific obligations or requirements concerning the allocation of our time, efforts, resources, or investment opportunities to any particular Client. We are not obligated to devote any specific amount of time to the affairs of any Client and are generally not required to accord exclusivity or priority to any Client in the event of limited investment opportunities arising from the application of speculative position limits or other factors. Our personnel devote time to the affairs of our Clients as they, in their discretion, determine to be necessary for the conduct of our business.

Cross Trades We may sometimes effect “cross” transactions between Client accounts, if permitted by applicable law. In a “cross” transaction, one Client account will purchase securities held by another Client account. We will only effect these transactions if we have written authority to do so from the Client.

We do not receive any compensation in connection with cross transactions. “Inadvertent” cross transactions may also occur when trades cross in the market. For example, when we periodically rebalance Client accounts, certain accounts may sell securities into the market at the same time that other accounts are purchasing the same securities in the market, resulting in an inadvertent or “deemed” market cross.

Re-Allocations Occasionally, with respect to a particular aggregated order, an allocation to a Client account would result in violation of a Client investment restriction or guideline, or may otherwise be impermissible (e.g., it would result in an overdraw on the account). In these situations, we have policies and procedures in place designed to help us detect these impermissible transactions before settlement (typically three days after the trade date for publicly traded equity securities, but often longer for other types of investments). If detected before settlement, in accordance with our policies and procedures, we may determine to re-allocate the aggregated order among the other participating Client accounts, to the extent that we believe it to be suitable and appropriate for the other participating Client accounts. If an impermissible allocation is not detected before settlement, it may result in a trade error subject to our policies and procedures regarding the handling of trading errors in Client accounts, discussed below.

Trade Errors We have established policies and procedures regarding the handling of trading errors in Client accounts (e.g., the purchase or sale of a security in the wrong amount, or contrary to Client investment guidelines). In accordance with these policies and procedures, we try to correct errors as soon as practicable after discovery to ensure that Clients do not incur a loss. Where trading errors result in gains for the Client account, the account is credited with such gains. On the other hand, if a trading error result in a loss, we make Clients whole by reversing out the trade at our own expense.

Item 13 – Review of Accounts

We review Client accounts and portfolios frequently but no less than monthly. This review is carried out by our portfolio managers.

We provide our separately managed account Clients with a monthly composite report regarding their account(s) covering a detailed statement of the assets in their account showing holdings, position weightings and market values. In addition the report details total investment performance achieved in the period.

These reports, as well as special or customized client reports, can be furnished upon request.

We provide Fund investors with monthly statements indicating the current market value of their interests.

Item 14 – Client Referrals and Other Compensation

We do not currently pay solicitation fees to any third parties for client referrals.

Item 15 – Custody

We do not take custody of your funds and securities. As a result, we do not accept securities or forward securities to your brokerage firm or custodian. The only checks accepted as payable to Philadelphia Investment Partners are those submitted for payment of advisory fees. Our Agreement and/or the separate agreement with any Financial Institution may authorize us through such Financial Institution to debit or deduct from your account the amount of our management fee and to directly remit these management fee to us in accordance with applicable custody rules.

We are deemed to have custody due to our ability to instruct your custodian to deduct management fees in accordance with the advisory agreement, but we do not otherwise have any access to your client assets.

All separately managed account Clients should receive, at least quarterly, account statements from the broker-dealer, bank, or other custodian that maintains the Client's assets. We urge Clients to compare the statements received from their custodians with the statements they receive from us. Statements that we provide Clients may vary from the statements received from custodians due to differences in the timing on posting transactions, accounting procedures, or other reasons.

We provide Fund investors with the Fund's mandatory filings including, but not limited to, the following: Fund Prospectus; Daily Net Asset Value ("NAV") and Annual/Semi-Annual Reports.

Item 16 – Investment Discretion

We generally receive and exercise discretionary authority to manage investments on behalf of Clients. As noted in Item 4 above, Clients may impose limitations on this discretion with respect to (1) the specific types of investments or asset classes that we will or will not purchase for their account; (2) the nature of the issuers of investments that we will or will not purchase for their account (e.g., no "sin" issuers, such as companies primarily doing business related to alcohol or tobacco); or (3) the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole. Clients may also direct us to use a particular broker-dealer or broker-dealers.

We typically assume this authority through a power of attorney or contract provision granted or entered into by a Client, or through the constituent documents of a Fund.

Item 17 – Voting Client Securities

We have adopted proxy voting policies and procedures (the “**Proxy Policies**”). Under our Proxy Policies, our general policy is to vote proxy proposals, amendments, consents or resolutions relating to the PIP New Generation Fund (the “Fund”) securities, including interests in private investment funds, if any (collectively, “**proxies**”), in a manner that serves the best interests of the Fund. We review on a case-by-case basis each proposal submitted to a shareholder vote to determine its impact on the portfolio securities held by the Fund. Although we generally vote against proposals that may have a negative impact on the Fund portfolio securities, we may vote for such a proposal if there exists compelling long-term reasons to do so.

Our proxy voting decisions are made by the senior officers who are responsible for monitoring each of the Fund’s investments. To ensure that our vote is not the product of a conflict of interest, we require that: (i) anyone involved in the decision making process disclose to our Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

We do not vote client proxies for our Separately Managed Account (“SMA”) Clients. SMA Clients will receive proxy material directly from the custodian holding the client’s account. Under circumstances where we receive proxy material on behalf of a SMA Client involving any security held in the SMA Client’s account, we will promptly forward such material to the SMA Client’s attention. It is the SMA Client’s responsibility to vote his/her proxy(ies). We will provide advice regarding proxy voting. We will keep a record of any advice given to a SMA Client regarding proxy voting, in addition to any proxy material received on behalf of a SMA Client and the steps taken to forward such material to the SMA Client.

Clients may also contact us at the address or telephone number listed on the first page of this document with questions about a particular proxy, to request a copy of our Proxy Policies and the proxy voting record relating to the PIP New Generation Fund.

Item 18 – Financial Information

Form ADV Part 2 requires investment advisers such as Philadelphia Investment Partners, LLC to disclose any financial condition reasonably likely to impair our ability to meet contractual commitments to clients. At this time, we have no information to report that is applicable to this item. However, the PIP New Generation has an “Expense Cap” which mandates the investment advisor (PIP) to bear those administrative expenses of the Fund in excess of the “Expense Cap. If these “Expense Cap” expenses increase to the point where they become a burden to the investment adviser it could possibly place the PIP in a precarious situation. At this point, PIP has had the ability to meet those additional obligations.

Item 19 – Requirements for State-Registered Advisors

This section is not applicable to Philadelphia Investment Partners, LLC