



SEAMANS CAPITAL MANAGEMENT, LLC
500 BOYLSTON STREET, SUITE 1750
BOSTON, MA 02116
WWW.SEAMANSCAPITAL.COM

December 31, 2017

This Brochure provides information about the qualifications and business practices of Seamans Capital Management, LLC. If you have questions about the contents of this Brochure, please contact our Chief Compliance Officer at 781-890-5225 or info@seamanscapital.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.

Additional information about Seamans Capital Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Seamans Capital Management does not provide the ADV Part 2B, brochure supplement. The disclosures required for ADV Part 2B are included in Item 4 of this brochure. The disclosures provide information about Richard F. Seamans and Eleanor R. Mulvaney, principal owners of Seamans Capital Management, LLC.

Item 2 - Material Changes

- There were no material changes in 2017.

Item 3 - Table of Contents

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

Item 4 - Advisory Business

Seamans Capital Management, LLC (“SCM”) was established in August 1986 to provide strategic investment research to institutional and managers. In the Firm’s early years, it also acted as a sub-advisor in global bond management to mutual funds. In 1993, the Firm began to offer strategic research on commodity and currency prices to resource companies in North America and Australia. In addition, the Firm began offering global income management, which included both global bonds and income-generating global resource stocks.

In 2000, the Firm switched its focus from providing strategic research to providing investment management services for select individuals and their related institutions. In 2002, SCM began to offer separately managed accounts in global income and resource stocks, which was subsequently divided into three components:

- Global bonds, focused primarily on net creditor countries,
- Global energy income, focused primarily on conventional energy services, and
- Global opportunities, focused primarily on resource equities to support the demand of a rapidly growing global middle class.

Beginning in 2005, the Firm began adding private pooled investment vehicles in four product areas: Global Bonds, Global Income Preferred 6%, Global Energy Income and Global Opportunities. The Global Energy Income product was liquidated and closed at the end of 2012. As technologies made renewable energy cost competitive on a worldwide basis, the New Era Technologies Growth Fund, LLC and the New Era Technologies Income Strategy were added in 2013.

SCM invests in a small number of carefully selected sectors based on their expected outperformance. These include renewable energy-related and income-producing resource investments being transformed by technological developments. Investments are based on fundamental, quantitative and qualitative research on global interest rates, currencies, commodities and financial markets.

Separately Managed Accounts

SCM highly values client relationships built on shared expectations and frequent communication. The engagement process begins with an exploration of a client’s values, investment philosophy and objectives; societal as well as financial. Risk/reward tolerance, investment restrictions and past investment experience are also important factors in establishing a clear understanding of the client’s expectations and objectives. A customized investment strategy is then structured and an asset allocation proposal is prepared for the client’s review. Subject to modification and the client’s approval, the chosen investment strategy is then implemented.

Fund Investments

SCM is the investment manager for the following Funds.

- Seamans New Era Technologies Growth Fund, LLC (“New Era Technologies Growth”)*
- Seamans Global Income Preferred 6% Fund, LLC (“Global Income Preferred 6%”)

- Seamans Global Opportunities Fund, LLC (“Global Opportunities”)

*: Formerly the Seamans Global Clean Energy Fund, LLC

Please see **Item 8** for specific information related to each Fund. SCM provides each prospective Fund member with a private placement memorandum, operating agreement, investor questionnaire, and subscription agreement. Prospective members are urged to examine these documents before making an investment in any Fund.

Portfolios

SCM managed \$49,510,257 in discretionary assets as of December 31, 2018. SCM does not manage any non-discretionary assets or participate in any wrap fee programs.

SCM believes that what investors seek in an investment firm, in addition to advising, managing and guiding their investments, is sound judgment. At SCM, judgment is not simply a thought process. It is an approach that combines decades of experience, ongoing research, specific areas of expertise, accumulated wisdom, strategic formulation, tactical execution and a strict adherence to SCM’s investment philosophy.

Faith in that judgment, combined with positive, long-term results, creates trust. That deep, enduring trust is why SCM has so many long-standing and mutually rewarding client relationships.

SCM invests Firm capital alongside client assets.

Management

Richard F. Seamans

Education, Background and Business Experience

Richard F. Seamans, CFA, MBA, Founder and Managing Director

Mr. Seamans, 72, serves as the Chief Investment Officer and Chief Compliance Officer of SCM. He founded the Firm in 1986, which began as a strategic advisor to companies and institutions on interest rates, currencies and commodity prices. The Firm achieved strong investment results on its mining and conventional energy investments from 2002 to 2012. Convictions about the costs and environmental benefits of renewable technologies led Mr. Seamans to begin investing in renewable energy and related technologies in 2013. He was previously a Managing Director and Senior Group Vice President for Scudder, Stevens & Clark, Ltd. in Boston, Massachusetts, now part of Deutsche Bank, where he directed tax-exempt bond research, policy and investments totaling \$3.9 billion.

Mr. Seamans is a member of the Board of Overseers for the Handel and Haydn Society in Boston, MA. He is a past trustee and member of the Investment Committee of Mount Holyoke College in South Hadley, MA.

He received his BA from Duke University in North Carolina, and his MBA, with distinction, from the Wharton School of the University of Pennsylvania. He is a Chartered Financial Analyst.

Disciplinary Information

Mr. Seamans does not have any legal or disciplinary history to report.

Other Business Activities

Mr. Seamans is not engaged in any other investment-related business or occupation for compensation not discussed in response to Item 4 of ADV Part 2A, the brochure.

Additional Compensation

Mr. Seamans does not receive economic benefits from non-clients for providing advisory services to clients.

Supervision

Mr. Seamans is the Chief Investment Officer and investment advisor representative for SCM. Mr. Seamans is also the Chief Compliance Officer and supervises the Firm with respect to all legal and regulatory requirements of the Investment Advisors Act of 1940. Questions related to the activities of any employee may be directed to Mr. Seamans at the telephone number noted on the Cover Page of the brochure.

Eleanor R. Mulvaney

Education, Background and Business Experience

Eleanor R. Mulvaney, MS, Chief Executive Officer

Mrs. Seamans, 69, is the Chief Executive Officer of Seamans Capital Management. She joined as the Chief Operating Officer in 2002. She is responsible for the Firm's strategic growth and organizational structure as well as oversight for the functions of the Firm's daily operations. Designed around the core principles of continuous learning, collaborative leadership and strong working relationships, Seamans Capital Management is positioned to operate effectively in a dynamic global environment. She is the Founder of the Glastonbury Company, a Waltham, MA based consulting firm specializing in personal and corporate transformational learning. Mrs. Seamans has more than 20 years of experience as an organizational consultant in financial services, working primarily with senior corporate leaders and entrepreneurs to translate vision into organizational effectiveness and profitable performance.

She currently serves on the Board of Directors of the Public Sector Consortium in Cambridge, MA and the Board of Trustees at Emmanuel College, Boston, MA, where she founded the Mulvaney Leadership Institute in 2008. She is a consulting member of the Society for Organizational Learning in Cambridge, MA.

Mrs. Seamans is a member of the Tiffany Circle of the American Red Cross in Washington, D.C., which is a society of women leaders. Mrs. Seamans received her BA from Emmanuel College and her MS from Simmons College in Boston, from which she graduated summa cum laude.

Disciplinary Information

Ms. Mulvaney does not have any legal or disciplinary history to report.

Other Business Activities

Ms. Mulvaney is not engaged in any other investment-related business or occupation for compensation not discussed in response to Item 4 of ADV Part 2A, the brochure.

Additional Compensation

Ms. Mulvaney does not receive any economic benefits from non-clients for providing advisory services to clients.

Supervision

Ms. Mulvaney is the CEO of Seamans Capital Management, LLC. She is in charge of client relationships, business strategy, personnel and marketing.

Item 5 - Fees and Compensation

Separately Managed Accounts

Investment management fees are paid quarterly in arrears at one-fourth the annual rate shown in the fee schedule below, based on the value of assets in the account(s) at the end of the calendar quarter. Management fees are billed directly to the client or deducted from the client account, depending on the client's election in the Investment Advisory Agreement. Incentive fees (charged only to qualified clients), which are subject to a "high-water" mark, are generally deducted from the client custody account on an annual basis.

SCM has an overall minimum annual investment management fee for new separately managed accounts of \$25,000 for individual clients and \$50,000 for institutional clients. Specific types of accounts also have minimum investment thresholds and differing minimum fees. Investment management fees are negotiable for accounts in excess of \$25 million.

Clients also incur custodian and brokerage fees and other transaction costs. Custody fees and transactions costs are outlined in the client's custodian agreement. Please refer to Item 12 of this brochure for additional brokerage information. Fee information is reported to clients in their monthly custodian account statements.

Separately managed account clients may terminate their Investment Advisory Agreement upon thirty (30) to ninety (90) days prior written notice to SCM, depending on the investment strategy. The Investment Advisory Agreement is not assignable without the consent of the client.

Fund Investments

Investment management fees are accrued monthly based on the aggregate net asset value of the investors' capital accounts at the end of each month and paid to SCM quarterly in arrears. Incentive fees accrue monthly based on appreciation of the investor's capital account and are paid to the manager on an annual basis subject to a high water mark. Operating costs are allocated to all Fund investors based upon percentage ownership of the Fund.

Fee Schedule for Funds and Individual Accounts

| |
|---|
| GLOBAL INCOME PREFERRED 6% |
| Investment Management Fee: 1.20% of Assets |
| Incentive Allocation: 20.00% of Net Asset Gains in Excess of 6% Return Annually |
| NEW ERA TECHNOLOGIES INCOME STRATEGY |
| Investment Management Fee: 1.50% of Assets |
| Incentive Allocation: 15.00% of Net Asset Gains |
| NEW ERA TECHNOLOGIES GROWTH* |
| Investment Management Fee: 1.50% of Assets |
| Incentive Allocation: 15.00% of Net Asset Gains |
| GLOBAL OPPORTUNITIES |
| Investment Management Fees: 2.00% of Assets |
| Incentive Allocation: 20.00% of Net Asset Gains |

*: Formerly the Seamans Global Clean Energy Fund, LLC

Fund Subscription

Funds are available for subscription at the beginning of every calendar month with a minimum investment of \$3,000,000 million for institutions and \$1,000,000 million for individuals. The Fund redemption schedule is as follows:

| Fund | Written Notice | Calendar Timing |
|------------------------------|-----------------------|------------------------|
| GLOBAL INCOME PREFERRED 6% | 45 Days | Quarterly |
| NEW ERA TECHNOLOGIES GROWTH* | 90 Days | Year End |
| GLOBAL OPPORTUNITIES | 90 Days | Year End |

*: Formerly the Seamans Global Clean Energy Fund, LLC

Separately Managed Accounts

Separately Managed Accounts are available to qualified investors with a minimum investment of \$5,000,000 million for institutions and \$2,500,000 million for individuals. The separately managed account redemption schedule is as follows:

| Strategy | Written Notice |
|-----------------------------|-----------------------|
| GLOBAL INCOME PREFERRED 6% | 45 Days |
| NEW ERA TECHNOLOGIES INCOME | 45 Days |
| NEW ERA TECHNOLOGIES GROWTH | 90 Days |
| GLOBAL OPPORTUNITIES | 90 Days |

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

SCM manages separate accounts that have both performance-based fees and non-performance-based management fees as described in Item 5. Performance-based fees for separately managed accounts and Funds are only charged on Global Income Preferred 6%, New Era Technologies and Global Opportunities strategies.

SCM manages Global Income Preferred 6% accounts that have performance-based fees alongside accounts that do not. No non-performance based fee accounts in this strategy have been opened since 2005.

Managing accounts that pay performance-based fees and asset based fees with the same strategy creates an inherent conflict of interest. Allocating lower cost securities to accounts earning performance based fees can increase performance fees. In order to mitigate this conflict of interest, SCM trading discipline dictates that securities are allocated in similar proportions and costs to accounts of similar size.

Item 7 - Types of Clients

SCM manages separately managed accounts and Funds available to the following types of clients.

- High Net Worth Individuals
- Family Offices
- Endowments
- Pooled Investment Vehicles

Schedule of Minimum Investments

| |
|--|
| FUND INVESTORS - INDIVIDUAL |
| \$1,000,000 |
| FUND INVESTORS – INSTITUTIONAL |
| \$3,000,000 |
| SEPARATELY MANAGED ACCOUNT – INDIVIDUAL INVESTORS |
| \$2,500,000 |
| SEPARATELY MANAGED ACCOUNT – INSTITUTIONAL INVESTORS |
| \$5,000,000 |

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

SCM analyzes trends in major industrialized and emerging market countries to determine the effects of changes in fiscal and monetary policies on economic growth and financial markets. Elections and tax changes frequently cause short-term dislocations, which may lead to investment opportunities or risks. SCM selectively reviews the information available from government and industry publications, expert source research materials, corporate rating services, company information and the financial media. The Firm also directly engages successful entrepreneurs, corporate visionaries, investors and other stakeholders in the field to obtain valuable research and specific knowledge. SCM relies on global relationships for technical and business expertise in the resource markets and proprietary research models to identify, examine, and select appropriate opportunities in each market sector and industry.

SCM utilizes a top-down approach to broad markets and a bottom-up approach to individual securities. Proprietary signaling tools and technical analysis are also employed in the selection of investments. SCM's analysis identifies broad investment classes and markets that benefit from multiple factors. Individual companies in these market sectors are evaluated to determine the best investment opportunities. SCM analysis is focused on finding companies that generate rising future cash flow. Future cash flow growth creates fundamentally sound investment opportunities and leads to higher company valuations. Equity investments are evaluated using top-down fundamental analysis of markets and industries and bottom-up fundamental analysis of companies, including discounted cash flow modeling, peer relative-valuation analysis, and management and expert analysis. Global bond influences are evaluated based on economic analysis that is focused on

international capital flows, interest rates, currencies, government and central bank policies, and the impact of commodity and equity markets on international trade.

Portfolios are crafted by aligning the results of SCM's time-tested research and security selection methods with clients' investment objectives. SCM maintains an absolute return approach, concentrating on returns from specific sectors, rather than returns relative to an index. The Firm's commitment to flexibility and adherence to clearly defined investment principals has allowed SCM to stay ahead of constantly changing markets.

Monitoring and predicting the ebb and flow of international capital are important to returns. SCM Funds/portfolios are intended to produce or develop sustainable cash flow and positive long-term real returns. Each Fund/portfolio has a specific investment objective and income goal, as described on the next page:

| Funds / Portfolios | Bonds U.S. and other Major International Markets | Resource Physical Precious Metals | Resource Stocks | Equity Metals and Mining Stocks | Investment Objective | Major Risk Areas |
|------------------------------|---|---|---------------------------|---|----------------------------------|--|
| Global Income Preferred 6% | ✓ | ✓ | ✓ | ✓ | Capital, Growth and Income | Interest Rates, Currencies, Countries and Markets |
| New Era Technologies Income | | | ✓ | | Capital, Growth and Income | Markets, Countries and Currencies |
| New Era Technologies Growth* | | | ✓ | | Capital Growth | Markets, Countries and Currencies |
| Global Opportunities | | ✓ | ✓ | ✓ | Capital Growth | Markets, Countries and Currencies |

✓ : reflects portfolio holdings

* : Formerly the Seamans Global Clean Energy Fund, LLC

Risk Areas

Interest Rate

Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

U.S. Government Securities

Generally, these securities include U.S. Treasury obligations and obligations issued or guaranteed by U.S. Government agencies, instrumentalities or sponsored enterprises. U.S. Government securities also include Treasury receipts and other stripped U.S. Government securities, where the interest and principal components of stripped U.S. Government securities are traded independently. These securities are subject to market and interest rate risk. Portfolio managers retained by the funds may also invest in zero coupon U.S. Treasury securities and in zero coupon securities issued by financial institutions, which represent a proportionate interest in underlying U.S. Treasury securities. A zero coupon security pays no interest to its holder during its life, and its value consists of the difference between its face value at maturity and its cost. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically

Corporate Debt Securities

Corporate debt obligations, including commercial paper involve interest rate risks described above, as well as the risk of an issuer's inability to meet principal and interest payments on the obligations.

High Yield Securities

"High yield" bonds and preferred securities that are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities) are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and principal.

Foreign Securities

Investing in these securities involves considerations and possible risks not typically involved in investing in securities issued by companies domiciled and operating in the United States, including instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend, interest or other payments) or confiscatory taxation may also affect investment in foreign securities (country risk).

Risk Management

SCM focuses primarily on four types of risk: liquidity risk, country risk, interest rate risk, and co-investor risk. Risk control begins with the selection of investments that have low risks relative to expected returns. Historical analysis provides the basis for this determination. Bond, stock and currency positions are monitored frequently and consistently to reduce risk. Convertible bonds and preferred stocks are generally purchased at prices that represent modest premiums to comparable underlying issues. This provides downside protection to the investment in the event of a substantial fall in the price of the stock. Positions are reevaluated whenever there are significant price changes.

SCM may use cash in combination with shorts on the stock market, sector indices, and individual securities, as well as currency hedging to mitigate portfolio risks. Controlling risk and minimizing losses are important parts of achieving favorable investment returns. Knowledge of, judgment on and expertise in risk/reward tradeoffs generates greater returns with less risk. SCM consistently monitors bond, stock and currency positions to reduce risk.

SCM investment strategies may involve frequent trading which may cause clients to pay more commissions and possibly, more taxes. Investing in the Global Opportunities strategy may involve risk of loss that clients should be prepared to bear.

Item 9 - Disciplinary Information

SCM is required to disclose all legal and disciplinary events that are material to clients and prospective clients for evaluating SCM or the integrity of SCM's management. Neither SCM nor its management has any legal or disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

SCM and its principals are not involved in other financial industry activities nor do they have other business affiliations that create conflicts of interest that would impair the objectivity of its advisory services.

Item 11 - Code of Ethics

In accordance with SEC rule 204A-1 of the Investment Advisors Act of 1940, SCM has implemented a Code of Ethics, to promote the highest levels of ethical conduct among SCM officers, directors, and employees in word, action, and spirit; thereby honoring the Firms' fiduciary obligations to its clients.

Below, please find a general outline of the principles SCM embraces with respect to the conduct of each of its employees, officers, and directors when acting on behalf of SCM or in any capacity that affects the interests of an SCM client:

- The duty at all times to place the interests of our clients first;
- The fundamental standard that SCM personnel should have knowledge of and comply with all applicable federal securities laws;
- The duty to avoid or report any possible conflicts of interest that may arise between an employee, officer, or director and their responsibilities to SCM and the Firm's clients. This may include, but is not limited to: insider trading, serving on the Board of a publicly traded company, political and charitable donations, and the acceptance or offer of inappropriate gifts, favors, entertainment, or things of special value that could be viewed as overly generous and aimed at influencing decision-making or making a client feel beholden to an employee or SCM.
- The fiduciary principle to keep confidential all information of current (and past) clients including, but not limited to, their identity, financial circumstances, security holdings, and other miscellaneous personal and financial information, as laid out in Federal and State law and implemented in the SCM Privacy Policy;

- The principle that any marketing materials offered by SCM and/or its employees about the Firm's strategies, products, and offerings must be professional, accurate, balanced, and not misleading in any way; and
- The duties of the Chief Compliance Officer to review the Code of Ethics annually for efficacy and adequacy, to train staff in any changes, to keep a copy of every Code of Ethics implemented over the past five years, and to keep accurate records of any infractions, exceptions, and Firm access persons.

All SCM employees are required to review the Code of Ethics and sign an agreement adhering to said principles. A copy of the Firm's Code of Ethics is available upon request.

Item 12 - Brokerage Practices

SCM does not permit clients to direct trades to specific brokers. SCM has full discretion over the securities purchased or sold for accounts, broker selections and commissions paid. The Firm does not consider, in selecting or recommending broker-dealers, whether SCM or a related person receives client referrals from a broker-dealer or third party. The primary criteria for selecting brokers are execution skills, willingness to negotiate low commissions, efficiency and accuracy in confirming and settling trades and financial positions. SCM regularly monitors executing brokers to comply with "best execution" standards. The Firm does not have an affiliate relationship or have another economic relationship with the broker-dealers selected that create a material conflict of interest.

There is a natural conflict of interest between investors and advisors to the extent that advisors seek to reduce their expenses by generating "soft-dollar" commissions to defray their expenses for research or other services from broker-dealers. SCM believes that it is important to achieve strong net returns for clients. For this reason, "soft-dollar" commissions are largely generated only when commissions paid to "soft-dollar" brokers are at a competitive level for a security. In 2015, approximately 45% of commissions were directed to brokers in return for soft-dollar credits.

SCM does not seek to allocate "soft-dollar" benefits to client account(s) proportionately to the account(s) generating the "soft-dollar" credits. Rather, "soft-dollar" research materials and computerized analytical tools are used to benefit all clients. SCM does not pay commissions higher than those charged by other broker-dealers in return for "soft-dollar" benefits.

Item 13 - Review of Accounts

The Chief Investment Officer, or a designated portfolio manager, reviews every account on a quarterly or more frequent basis. Market or political events and changes in a client's individual circumstances trigger more frequent reviews of separately managed accounts. The Fund portfolios are monitored on an ongoing basis.

For both separately managed accounts and Funds, SCM measures overall account performance and sector allocation to ensure that account guidelines are met. Reviews of account conformity to objectives are also conducted on a regular basis, while individual securities are reviewed more frequently, particularly in the event of a significant change in value.

SCM sends quarterly statements to separately managed account clients. These statements report the individual holdings and the asset values of their individual account(s). Separately managed account clients, as well as clients in the Firm's funds, receive Investor Reports from SCM. These letters review significant events of the previous quarter and their impact on investment performance. Broad trends may be reviewed along with the long-term outlook on various investment sectors.

Separately managed account clients receive monthly account statements from their respective qualified custodians. Fund investors receive monthly account statements from the Fund's administrator.

Item 14 - Client Referrals and Other Compensation

SCM does not receive economic benefits from non-clients for providing advisory services to clients.

SCM infrequently employ the services of "finders" in obtaining new clients. This arrangement may require the Firm to pay a percentage of the new client's assets under management, as a finder fee or commission, to third parties for the successful referral of clients. In no case will the clients' fees increase as a result of these arrangements. In cases where a client is referred by a third party, the client will receive, prior to signing the Investment Advisory Agreement, a separate Disclosure Statement in which the client agrees to the payment of the solicitation fee to the finder by either the finder or SCM.

Item 15 - Custody

The client's or Fund's custodian has custody of all the security investments. SCM has custody of client's funds and securities only to the extent of authority to deduct investment management fees directly from the client's account(s). Separately managed account clients receive a monthly account statement which includes transaction reports, client contributions, withdrawals, and all fees and expenses directly from their respective qualified custodians. Fund investors receive monthly account statements from the Fund's administrator showing the account's month-end value together with any contributions and withdrawals. Clients are urged to carefully review their statements upon receipt. SCM recommends that separately managed account clients compare their quarterly holding reports, prepared by SCM, to the custodian's monthly report.

Item 16 - Investment Discretion

SCM has full discretionary authority to manage the securities held in the separately managed accounts and Funds. Separately managed account clients execute an Investment Advisory Agreement, which governs the authority and fees. Documentation is provided to Fund investors, including a private placement memorandum, limited liability company operating agreement, investor questionnaire, and subscription agreement.

Item 17 - Voting Client Securities

Rule 206(4)-6 of the Advisors Act sets forth the conditions under which advisors have fiduciary obligations with respect to each client for which the advisor exercises investment discretion, including the authority and responsibility to vote proxies. Advisors with proxy voting authority

must monitor corporate developments and, where appropriate, vote proxies. In addition, advisors must cast proxy votes in the best interest of its clients.

SCM has adopted the following policies and procedures with respect to voting proxies on behalf of its clients.

- SCM has a proxy voting policy, which may be updated and supplemented from time-to-time, for clients who delegate the authority or responsibility to vote their proxies to SCM.
- Clients may request a copy of the proxy voting policy and information about how their securities were voted.
- SCM monitors such voting for any potential conflicts with the interests with its clients.
- SCM may on occasion use the advice of an independent third party to review the proxies to supplement research.
- It is SCM's general policy to vote proxies in what it considers to be in the best interests of its clients. If mitigating circumstances and/or conflicts of interests arise, the circumstances or conflicts will be discussed by SCM's investment committee. This committee may inform the client or may forward the proxy material to the client if it deems it necessary for review.

Item 18 - Financial Information

SCM has discretionary authority over investment trading and may deduct fees directly from client accounts in arrears but does not require or solicit payment of any fees from clients in advance. SCM has never filed a bankruptcy petition and does not foresee any financial condition that would impair the Firm's ability to meet contractual commitments to clients.