

Ategra Capital Management, LLC

December 5, 2018

This Brochure provides information about the qualifications and business practices of Ategra 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 Jonathan Holtaway at (703) 564-9131. This information has not been approved or verified by the SEC or by any state securities authority.

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

Registration as an investment adviser with the SEC or with any state securities authority does not imply that the Adviser or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or in any other business.

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Item 2. Material Changes

This item is not applicable.

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Item 4. Advisory Business

Ategra Capital Management, LLC, a Delaware limited liability company (the “Adviser”), is an investment adviser with its principal place of business in Vienna, Virginia. The Adviser commenced operations in 2005 and is registered as an investment adviser with the SEC and the State of Virginia. Certain responses contained herein are based on the Adviser’s expectations with respect to its advisory business.

Jonathan Holtaway and Jacques Rebibo are the principal owners of the Adviser.

The Adviser provides investment advisory services on a discretionary basis to its clients, including Ategra Community Financial Institution Fund, L.P. (the “Fund”). The Adviser also provides investment advisory services on a discretionary and non-discretionary basis to individuals and institutions with separately managed accounts (the “Separate Accounts”). In addition, the Adviser provides the following advisory services: (i) financial planning to individuals, affluent families, corporate executives, business owners, corporations, partnerships, trusts and endowments, and businesses and (ii) pension and retirement plan consulting to corporate retirement plans on either a discretionary or nondiscretionary basis, depending upon the needs of the plan sponsor and plan participants. (By way of clarification, the recipients of financial planning services shall be referred to herein as “Planning Clients” and the recipients of pension consulting services shall be referred to herein as “Pension Consulting Clients”, and together with the Fund and the Separate Accounts, shall be collectively referred to herein as “Clients”).

Investment Advisory Services. The Adviser provides advice to its Clients based on the specific investment objectives and strategies described in the offering memorandum of the Fund or the investment management agreement or other constituent documents for a Separate Account or Planning Client.

The Fund. The Adviser does not tailor its advisory services to the needs of the investors in the Fund, and investors in the Fund may not impose restrictions on the Fund investing in certain securities and other financial instruments or certain types of securities and other financial instruments.

Separate Accounts. Under certain circumstances, the Adviser may agree to tailor advisory services to the individual needs of Separate Account clients. Some Separate Account clients may impose restrictions on investing the assets of their accounts in particular types of securities and other financial instruments. The Adviser will generally invest such Separate Account assets in diversified investment vehicles, such as mutual funds, closed-end funds, real estate investment trusts and exchange traded funds. Additionally, the Adviser may advise such Separate Accounts on any type of investment that it deems appropriate based on a Separate Account’s stated goals and objectives. The Adviser may also provide advice on any type of investment held in such Separate Account portfolio at the inception of its advisory relationship.

Financial Planning Services. The Adviser provides financial planning services for Planning Clients, including, but not limited to, the coordination and planning of the following: investments, retirement, education, estate, cash flow and risk management. The Adviser will generally provide these services in the context of developing a comprehensive financial plan (“Plan”) for a Planning Client and/or by providing planning advice on specific financial planning issues. For example, in lieu of developing a Plan, a Planning Client may need advice or consultation in a specific area such as retirement planning or education planning.

Pension Consulting Services. The Adviser provides pension consulting services for Pension Consulting Clients, including, but not limited to, plan design, establishing investment objectives, setting investment parameters, selecting specific investment vehicles, ongoing monitoring, reporting, and controlling and/or reducing plan expenses where feasible. The Adviser will advise plan sponsors, communicate client instructions to the plan administrator and provide education to plan participants as requested by the Pension Consulting Client.

As of December 31, 2017, the Adviser has approximately \$109,653,000 in regulatory assets under management, all of which are managed on a discretionary basis.

Advisory Fees and Compensation

The Fund. The Fund pays the Adviser a quarterly asset-based investment management fee ranging from 0% to 1.00% (the “Asset-Based Fee”) in advance based on the net asset value of the Fund as of the first day of each calendar quarter. The Asset-Based Fee is prorated for any period that is less than a full quarter. Ategra GP, LLC, an affiliate of the Adviser (the “General Partner”) is entitled to be paid annual performance-based compensation, which is compensation that is based on a share of net capital appreciation of the assets of the Fund. This performance-based compensation ranges from 0% to 20% and is subject to a loss carryforward. Receipt of performance-based compensation, with respect to the Fund, is subject to a hurdle rate equal to 6%. The Asset-Based Fee and performance-based compensation are negotiable. The Fund may waive, reduce or enter into alternative fee arrangements with investors in the Fund who are principals, employees or affiliates of the Adviser, the General Partner, relatives of such persons, and for certain large or strategic investors.

Separate Accounts. Any fees or compensation received by the Adviser from the Separate Accounts will be separately negotiated and will typically include an asset-based fee (which may be a fixed amount agreed upon with the Separate Account client). Notwithstanding the foregoing, the fee will typically be paid in arrears and will typically range from 0% to 1.25% per annum.

Planning Clients. The Adviser provides financial planning for a fee, expressed as a percentage of the market value of the assets in the plan. The fee will be based upon various Plan metrics, including but not limited to, the size of the Plan, the type of Plan assets, the number of Plan participants’ assets and number of investment options. The fee will typically be paid in arrears and will typically range from 0.25% to 1.25% per annum.

Pension Consulting Clients. The Adviser provides pension and retirement plan consulting services for a fee, expressed as a percentage of the market value of the assets in the plan. The fee will be based upon various plan metrics, including but not limited to, the size of the plan, the type of plan assets, the number of plan participants’ assets and number of investment options. The fee typically ranges from 0.25% to 1.00%.

Payment of Fees

The Fund. With respect to the Fund, the Asset-Based Fee is paid pursuant to instructions made by the Fund’s administrator to deduct it from the Fund’s bank account and the performance based compensation paid to the General Partner is structured as a reallocation of profits.

Separate Accounts. Pursuant to the investment management agreement for a Separate Account, the Adviser will deduct the investment management fee from the Separate Accounts on a quarterly basis, in arrears, and based on the net asset value of the Separate Account on the last day of the prior calendar quarter, by instructing such client’s custodian. For partial quarters, the fee will be calculated on a pro-rata basis. Additionally, the investment management fee will be prorated for client deposits and/or withdrawals during the quarter.

Planning Clients. With respect to the Adviser’s financial planning, the record keeper will deduct the Adviser’s financial planning fees from the Plan assets quarterly, in arrears, and based on the net asset value of the account on the last day of the prior calendar quarter. Additionally, the Adviser will prorate its fee for client deposits and/or withdrawals during the quarter.

Pension Consulting Clients. With respect to the Adviser’s pension and retirement plan consulting services, the record keeper will deduct the Adviser’s pension plan consulting fees from the plan assets quarterly, in arrears, and based on the net market value of the account on the last day of the prior calendar quarter. The responsible plan fiduciary authorizes this arrangement with the Adviser, as

prescribed in the written ERISA Advisory Agreement. For partial quarters, the fee is calculated on a pro-rata basis. Additionally, the Adviser will prorate its fee to account for client deposits and/or withdrawals during the quarter. The responsible plan fiduciary will receive an invoice summary with the quarterly report indicating that the record keeper has deducted the quarterly fee from the plan assets. Additionally, the custodial statement will also reflect the date and amount of the fee deducted from the plan assets. The responsible plan fiduciary should carefully review the statements for discrepancies and immediately report any discrepancies to the Adviser.

Other Fees and Expenses

In addition to paying the advisory fee and, if applicable, performance-based compensation, the Fund is also subject to other expenses such as legal, accounting (including third-party accounting services), auditing and other professional expenses, research expenses (including research-related travel), brokerage fees, investment expenses such as commissions and related costs, custodial fees, interest expenses, taxes, duties and other governmental charges, transfer and registration fees or similar expenses, costs associated with foreign exchange transactions, other portfolio expenses, bank service fees, and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in, which the Fund invests), and other expenses related to the purchase, sale, preservation or transmittal of client assets.

The Separate Accounts, Planning Clients and Pension Consulting Clients are also subject to different fees and expenses, which are set forth in the investment management agreements and/or other constituent documents entered into between the Separate Accounts, Planning Clients and/or Pension Consulting Clients and the Adviser. In relevant part, client assets will be invested in money market mutual funds, ETFs (as defined in Item 8) 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 any fees or other compensation 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.

The allocation of expenses by the Adviser between it and any client and among clients represents a conflict of interest for the Adviser. The Adviser has adopted an expense allocation policy that is designed to address this conflict. The Adviser allocates expenses to each client in accordance with the client's arrangements with the Adviser (including applicable client disclosures). The Adviser seeks to allocate shared expenses for products and services benefitting the Adviser and the client and not covered in the client's arrangements in a fair and reasonable manner. The Adviser allocates common client expenses among multiple clients pro rata based on gross assets under management as of the beginning of the quarter in which the expenses are incurred. The Adviser may deviate from this standard allocation method if it determines that an expense disproportionately benefits a particular client or group of clients.

Prepayment of Fees

Investors in the Fund pay the Asset-Based Fee in advance. Pre-paid fees charged to the Adviser's clients will be refunded based on the number of days remaining in the quarter if a withdrawal is made before the end of a quarter.

More detailed information about the fees and expenses paid by client accounts may be found in the governing documents of each client account.

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

As described in Item 5, in addition to the Asset-Based Fee, the Adviser (or an affiliate of the Adviser (i.e., the General Partner)) receives performance-based compensation from clients, including the Fund.

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple clients. Certain client accounts may have higher asset-based fees or be subject to performance-based compensation arrangements in comparison to other accounts. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. When the Adviser and its investment personnel manage more than one client account a potential conflict exists for one client account to be favored over another client account. The Adviser and its investment personnel have a greater incentive to favor clients that pay the Adviser (and indirectly its investment personnel) performance-based compensation or higher fees. The Adviser has implemented policies and procedures intended to address these conflicts of interest. A description of the Adviser's allocation policy is included below and the Adviser's aggregation policy is described in Item 12 of this Brochure.

Certain client accounts managed by the Adviser (i.e., the Fund) hold illiquid investments for which the Adviser receives performance-based compensation only upon their sale or deemed realization. To the extent the Adviser is entitled to performance-based compensation from its clients upon the sale or deemed realization of illiquid investments, the Adviser may have an incentive to delay the realization of an illiquid investment.

The Adviser employs multiple investment objectives and strategies for its clients. These differing objectives and strategies raise potential conflicts of interest. For example, the Adviser may buy a security for one client account while it is selling that security for another client account. In addition, the Adviser may cause one client account to buy a particular security "long" and another client account to sell that same security short.

The Adviser manages multiple client accounts. Accordingly, the Adviser has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed client accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that eligible client accounts with the same or substantially similar investment mandates and strategies participate in investment opportunities pro rata based on the relative value of the assets of each participating accounting; provided, however that the Adviser may allocate investment opportunities to such accounts on a non-pro rata basis due to a consideration of factors including but not limited to maximum per security limits set by such client and other pre-agreed on account-specific limitations, liquidity, risk tolerance, tax consequences and regulatory limits on eligibility. To the extent orders are aggregated, the client orders are price-averaged and allocated in accordance with the aggregated order; provided, that the aggregated order may be allocated on a different basis for reasons including but not limited to partially filled orders and to avoid odd lots or excessively small allocations. Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair allocation among accounts. These areas are monitored by the Adviser's Chief Compliance Officer.

21VAC5-80-220. Performance Based Fees.

- A. In accordance with § 13.1-503 C of the Virginia Securities Act (the "Act"), an investment adviser may enter into, extend, or renew any investment advisory contract to provide for compensation to the investment adviser on the basis of a share of the capital gains upon, or the capital

appreciation of, the funds or any portion of the funds of a client, provided that the following conditions of this section are satisfied.

B. Nature of the client:

1.
 - a. The client entering into the contract subject to this section must be a natural person or a company, as defined in subdivision 2 of this subsection and in the definition of "company" in subsection E of this section, who immediately after entering into the contract has at least \$1 million under the management of the investment adviser; or
 - b. A person who the registered investment adviser (and any person acting on his behalf) entering into the contract reasonably believes, immediately prior to entering into the contract, is a natural person or a company, as defined in subdivision 2 of this subsection and in the definition of "company" in subsection E of this section, whose net worth at the time the contract is entered into exceeds \$2 million. (The net worth of a natural person may include assets held jointly with such person's spouse.)
2. The term "company" as used in subdivision 1 of this subsection does not include:
 - a. A private investment company, as defined in subsection E of this section;
 - b. An investment company registered under the Investment Company Act of 1940; or
 - c. A business development company, as defined in § 202(a)(22) of the Investment Advisers Act of 1940 (15 USC § 80b-2(a)(22)) unless each of the equity owners (other than the investment advisor entering into a contract under this section) of any such company identified in subdivision 2 of this subsection, is a natural person or company described in this subsection.

C. Disclosure. In addition to the disclosure requirements of Form ADV, the adviser shall disclose to the client, or the client's independent agent, prior to entering into an advisory contract permitted by this section, all material information concerning the proposed advisory arrangement including the following:

1. That the fee arrangement may create an incentive for the adviser to make investments that are riskier or more speculative than would be the case in the absence of a performance fee;
2. Where relevant, that the adviser may receive increased compensation with regard to unrealized appreciation as well as realized gains in the client's account;
3. The time period which will be used to measure investment performance throughout the term of the contract and its significance in the computation of the fee;
4. The nature of any index which will be used as a comparative measure of investment performance, the significance of the index, and the reason the advisor believes the index is appropriate; and
5. Where an adviser's compensation is based on the unrealized appreciation of securities for which market quotations are not readily available, how such securities will be valued and the extent to which the valuation will be independently determined.

Item 7. Types of Clients

The Adviser's clients consist of the Fund, the Separate Accounts, the Planning Clients and the Pension Consulting Clients; however, the Adviser may in the future serve as investment manager to other client accounts.

With respect to the Fund, any initial and additional subscription minimums are disclosed in the offering memorandum for the Fund. With respect to the Separate Accounts, the Adviser will require a minimum account size of \$500,000 for opening or maintaining a separately managed account and may, in its discretion, require a different investment minimum for any Separate Account. If the account size falls below the minimum requirement due to market fluctuations only, a client will not be required to invest additional funds with the Adviser to meet the minimum account size. Notwithstanding the foregoing, the Adviser may waive the minimum account size with respect to certain clients.

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

Portfolio Management for the Fund

With respect to the Fund, the Adviser takes positions in the financial sector and targets long positions in those institutions it believes are priced significantly below peers and it believes have limited downside, but an upside that is a multiple of the downside. The Fund invests primarily in publicly traded securities and places an emphasis on community banks (i.e., banks with market capitalization below \$500 million), but may also invest in other financial instruments, including, but not limited to, U.S. or non-U.S. long or short positions in publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate debt, bonds, notes or other debentures or debt participations, convertible securities, swaps, options (purchased or written), futures contracts, forward contracts and other derivative instruments, partnership interests and other securities or financial instruments including those of investment companies, and may utilize positions in correlated financial sectors such as REITs or insurance companies.

The Adviser believes price opportunities are created by a poor understanding by many investors of the banking/finance industry during good and bad times, particularly as related to microcap stocks. The Adviser conducts extensive financial due diligence and uses proprietary financial models utilizing the latest publicly-available data. The Adviser seeks out meetings with the management, directors and key investors of its target institutions and, on a case-by-case basis, may conduct on-site due diligence.

Portfolio positions are designed from the outset with the downside foremost and the expected upside being a multiple of the downside. This conservative stance is naturally tested during market periods when general selling pushes entire sectors, or the market as a whole, down. The objective in a down market, first and foremost, is liquidity and buying power. The Adviser bases its strategy on its belief that down markets, which create depressed levels of pricing, afford the highest profit opportunities. The Adviser believes cash and liquidity strength are necessary to successfully take advantage of these opportunities.

The Adviser's methods, strategies and types of investments involve a risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

Investment Management Services for the Separate Accounts and Planning Clients

With respect to the Adviser's investment management services to Separate Accounts and financial planning services, before making recommendations to clients, the Adviser will carefully explore each client's goals, objectives, income needs, age, time horizon and tolerance for risk, and other meaningful data specific to the client to determine the most suitable allocation among various asset classes. The investments held in such client accounts are expected to include but are not limited to stocks, bonds, cash, real estate investment trusts, natural resources and commodities. The Adviser also intends to invest client assets in diversified investment vehicles such as mutual funds, closed-end funds, real estate investment trusts and exchange traded funds. Based on personal factors unique to each client, the Adviser will generally recommend that such client invest in one of its five portfolios designed to achieve one of the objectives described below. In certain circumstances or as dictated by the client, the client may invest in a variation of one or the below described portfolios, a modified asset allocation or in a portfolio with a limited number of investments or asset classes. The five portfolios are as follows: (i) Growth, (ii) Moderate Growth, (iii) Balanced, (iv) Moderately Conservative, and (v) Income & Growth.

Investment Objectives - The following generally describes the investment objective of the portfolio:

- *Growth* - This portfolio will seek to provide a diversified portfolio of stocks that has capital appreciation as its primary goal, with little or no dividend payouts. The portfolio mainly consists of companies with above-average growth that reinvest their earnings into expansion, acquisitions and/or research and development.

- *Moderate Growth* - This portfolio will seek to provide capital appreciation and a low to moderate level of current income. The fund holds a portion of its assets in stocks, of which a certain percentage is allocated to international stocks, and 40% in bonds, a portion of which is allocated to international bonds.
- *Balanced* - This portfolio will seek a portfolio allocation and management method aimed at balancing risk and return. Such portfolios are generally divided equally between equities and fixed-income securities.
- *Conservative* - This portfolio will consist of an investing strategy that seeks to preserve an investment portfolio's value by investing in lower risk securities such as fixed-income and money market securities, and often blue-chip or large-cap equities.
- *Income & Growth* - This portfolio will seek to provide a dual strategy of capital appreciation (growth) and current income generation through dividends or interest payments.

The Adviser uses fundamental and technical methods of analysis to optimize and monitor client portfolios with respect to the Separate Accounts and Planning Clients. The Adviser primarily will use fundamental analysis to optimize client portfolios. Fundamental analysis considers global macroeconomic indicators such as GDP growth rates, corporate profits, corporate productivity, industrial capacity utilization, consumer prices and inflation, interest rates, unemployment, currency exchange rates and geopolitical risk factors. Additionally, fundamental analysis considers where the economy is in the context of the business economic cycle to determine the extent to which a portfolio should overweight or underweight certain asset classes. For example, at the peak of an economic cycle, emphasis may be placed on fixed income investments in lieu of equity investments and/or less economically sensitive sectors such as consumer staples or conservative fixed income securities such as US treasuries.

The Adviser may employ other investment strategies, including, but not limited to, short-selling, long-short, market neutral, initial public offerings, mergers & acquisitions, global macroeconomic opportunities, interest rate arbitrage, convertible debt securities, investing in futures, options, derivatives, the use of leverage and/or other unconventional illiquid investments such as private equity investments and venture capital. The Adviser believes that alternative strategies potentially improve portfolio returns, and lower portfolio volatility, over the course of a full market cycle. In doing, so they may provide important diversification benefits not provided by traditional asset classes such as stocks, bonds and cash.

Investment Management Services for the Pension Consulting Clients

The Adviser provides non-discretionary retirement plan consulting services. It assists sponsors of self-directed retirement plans and defined benefit plans with the selection and/or monitoring of investment alternatives from which plan participants choose in self directing the investments for their individual plan retirement accounts. To the extent requested by a plan sponsor, the Adviser provides participant education to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of pension consulting engagement are set forth in a written agreement between the Adviser and the plan sponsor.

Material Risks

The following summary identifies the material risks related to the Adviser's investment strategies and should be carefully evaluated before making an investment with the Adviser; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of each identified risk.

Material Risks Associated with Adviser's Analysis for Separate Accounts

Fundamental analysis as well as other investment strategies the Adviser uses are subjective, and open to both interpretation and errors in judgment on our part. Additionally, investment analysis considers numerous factors that are complex, interrelated, and often affected by unpredictable factors including but not limited to macro and micro economic factors, and geopolitical risks. Although the Adviser believes combining traditional and non-traditional asset classes and investment strategies together within a client

portfolio, optimizes the client's trade-off between risk and return, there can be no assurance that doing so will achieve the expected outcome.

The Banking And Thrift Industry

The results of operations of banks and thrifts are significantly affected by general economic conditions and the related monetary and fiscal policies of the federal government, particularly as they relate to the level of interest rates. The profitability of many banks and thrifts is largely dependent upon net interest income, which is the difference between interest income on interest-earning assets, such as loans, mortgage-backed securities and investment securities, and interest expense on interest-bearing liabilities, such as deposits. For an institution with interest-earning assets maturing or repricing faster than its interest-bearing liabilities in a given period, an increase in interest rates could have a positive impact on net interest income. A decrease in interest rates, however, could have an adverse effect on such an institution. Changes in the level of interest rates may also affect the amount of loans originated (including refinancings) and loans sold by banks and thrifts. An increase in interest rates may result in lower levels of originations and loan sales, and thus, in the amount of loan and commitment fees and gains on sales of loans. In addition, changes in interest rates may result in disintermediation, the flow of funds away from savings institutions into direct investments, such as corporate securities and other investment vehicles, which, because of the absence of federal insurance premiums and reserve requirements, may pay higher rates of return than savings institutions. Higher interest rates may also have an adverse impact on the market value of banks' and thrifts' interest-earning assets. Furthermore, regulations applicable to banking and thrift institutions will limit the ability of the Fund to seek to protect its investments through the controls typically imposed by venture capital and private equity investors on their portfolio companies.

Other factors affecting the banking and thrift industry generally should be considered by potential clients, including:

- the extensive regulation, supervision and examination of banks and thrifts and their holding companies by federal and state law and regulatory agencies, which regulatory framework is subject to changes that may affect materially the operations and results of banks, thrifts and their holding companies; in addition, limitations on control of banks and thrifts will limit the ability of the Adviser to affect management of bank and thrift issuers in which it invests;
- regulatory and charter restrictions applicable to changes in control of certain banks and thrifts, which may limit the potential for acquisitions and the stock appreciation that may arise from such transactions;
- the risks associated with banks' and thrifts' real estate, commercial and consumer loan assets, which may be affected by local and national economic conditions;
- changes in regulation, which may have unforeseen results and in addition to, or instead of, creating investment opportunities, may also create additional risk;
- increasing internationalization of financial and credit markets, which may increase the possible adverse effect on U.S. financial institutions of foreign economic disturbances; and
- increasing competition in the banking and thrift industry, including competition from non-banks such as electronic data processing firms, which may erode the market share and decrease the margins of particular banks and thrifts.

Exchange-Traded Funds and Mutual Fund Risks

The Adviser intends to recommend or invest client assets in a wide range of securities that exhibit various risks, as previously described, but intends to primarily invest in open-ended mutual funds and exchange-traded funds ("ETFs"). Mutual funds and ETFs are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

REITs

REITs in which the Adviser invests client accounts are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITs depend generally on their ability to generate cash flow to make distributions to investors.

Portfolio Illiquidity

The Adviser may invest client accounts in non-public, restricted and illiquid securities. At various times, the markets for securities purchased or sold by the Adviser may be thin or illiquid, making purchase or sale of securities at desired prices or in desired quantities difficult or impossible. There may be no market for unlisted securities traded by the Adviser. In some cases, the Adviser may be contractually prohibited from disposing of such securities for a specified period of time. Further, the sale of any such investments may be possible only at substantial discounts and such investments may be extremely difficult to value.

Short Sales

The Adviser's investment program includes 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.

Options

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security,

commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Special Situations

The Adviser may invest in clients in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Adviser of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Adviser may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Adviser may invest, there is a potential risk of loss by the Adviser of its entire investment in such companies.

Lack of Diversification

A client's portfolio may not generally be as diversified as other investment vehicles. Accordingly, the client's investments may be subject to more rapid change in value than would be the case if the client were required to maintain a wide diversification among types of securities, geographical areas, issuers and industries.

Non-U.S. Securities

The Adviser will invest in securities outside of the United States. Investing in securities of non-U.S. governments and companies that are generally denominated in currencies other than the United States dollar, and utilization of non-U.S. currency forward contracts and options on non-U.S. currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Currency Risks

Investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment, capital appreciation and political developments. The Adviser may try to hedge these risks, but there can be no assurance that it will implement a hedging strategy, or if it implements one, that it will be effective.

Cybersecurity Risk

The information and technology systems of the Adviser and of key service providers to the Adviser and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures

designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

Risk Management Failures

Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.

Systems and Operational Risk

The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Item 9. Disciplinary Information

On June 29, 2013, Michael Duprey, Executive Vice President of the Adviser, without admitting or denying the findings, consented to the entry of an *order* of the Financial Industry Regulatory Authority ("FINRA"), which imposed a \$5,000 civil penalty against Mr. Duprey and suspended him from association with any FINRA member in any capacity for six months. The civil penalty was paid by Mr. Duprey. For further information, please see Part 1A of the Adviser's Form ADV.

Item 10. Other Financial Industry Activities and Affiliations

The Fund has, and may in the future, enter into additional agreements, or “side letters,” with certain prospective or existing limited partners whereby such limited partners may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum of the Fund. For example, such terms and conditions may provide for special rights to make future investments in the Fund, other investment vehicles or managed accounts; special withdrawal rights, including those relating to frequency or notice; a reduction or rebate in fees or withdrawal fees to be paid by the limited partner and/or other terms; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Adviser and such investor. The modifications are solely at the discretion of the Fund and may, among other things, be based on the size of the investor’s investment in the Fund or affiliated investment entity, an agreement by an investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an investor to the Fund.

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

Code of Ethics. The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its supervised 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. In addition to compliance with the Adviser’s policies and procedures, all of the Adviser’s personnel are required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Jonathan Holtaway, the Adviser’s Chief Compliance Officer, at (703) 564-9131. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser’s supervised persons.

The Adviser and its supervised persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment, which includes disclosure of gifts and business entertainment in excess of certain *de minimis* thresholds.

The Adviser, in the course of its investment management and other activities, 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 its clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law. The Adviser and its personnel are required to exercise caution in their interaction with employees of sell-side broker-dealers and other persons who may have access to material nonpublic information.

Investing in Securities Recommended to Clients. From time to time, the Adviser or its related persons invests in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a related person recommends to clients. The Adviser or its related persons may trade in a particular security in a manner that is the same as, different from, or even opposite to the trading activity undertaken by the Adviser on behalf of its clients with respect to that same security.

Such practices present a conflict when, because of the information an Adviser has, the Adviser or its related persons are in a position to trade in a manner that could adversely affect the Adviser’s clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients’ trades). In addition to affecting the Adviser’s or its related person’s objectivity, these practices by the Adviser or its related persons may also harm clients by adversely affecting the price at which the clients’ trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: The Adviser requires its supervised persons to preclear all transactions in reportable securities in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have an adverse economic impact on one of its clients. In addition, the Adviser’s Code prohibits the Adviser and its supervised persons from executing personal securities transactions in certain securities that are designated as restricted by the Adviser. All of the Adviser’s supervised persons are required to provide account statements on at least a quarterly basis or alternatively to disclose their securities transactions on a quarterly basis. The Adviser’s supervised persons are also required to provide holdings reports upon the commencement of their employment with the Adviser and on an annual basis thereafter. Trading in employee accounts is

reviewed by the Chief Compliance Officer and compared with transactions executed for client accounts and reviewed against the list of securities that the Adviser has designated as restricted.

Conflicts of Interest Created by Contemporaneous Trading. The Adviser or a related person from time to time recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Adviser or related person buys or sells the same securities for its own account in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser or its related person to the detriment of the client.

Item 12. Brokerage Practices

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, but are not limited to, reputation, financial strength and stability, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, research (including economic forecasts, fundamental and technical advice on securities, valuation advice on market analysis); custodial and other services provided for the enhancement of the Adviser's portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; and the operational facilities of the brokers and/or dealers involved (including back office efficiency). In selecting a broker-dealer to execute transactions (or a 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 Chief Compliance Officer periodically evaluates the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

The Adviser receives research or other products or services other than execution from a broker-dealer and/or a third party 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, as amended ("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. 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 regularly reviews and evaluates 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.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for

administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination by the Adviser of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and clients.

In selecting brokers and negotiating commission rates, the Adviser will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. The Adviser may place transactions with a broker or dealer that (i) provides the Adviser (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Fund or other products advised by the Adviser (or an affiliate), if otherwise consistent with seeking best execution; provided the Adviser is not selecting the broker-dealer as remuneration for the opportunity to participate in such capital introduction events or the referral of investors.

The Adviser currently does not recommend, request or require that a client direct the Adviser to execute transactions through a specified broker-dealer, nor does the Adviser permit clients to direct the Adviser to transact with a specific broker.

The Adviser often purchases or sells the same security for many clients at or near the same time and using the same executing broker. It is the Adviser's practice, where appropriate, to aggregate client orders for the purchase or sale of the same security at or near the same time for execution using the same executing broker, if, in its reasonable judgment such aggregation is reasonably likely to result in an overall economic benefit to clients. The Adviser will also aggregate in the same transaction, the same securities for accounts where the Adviser has brokerage discretion. 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. The Adviser, however, does not attempt to aggregate purchase and sale orders across multiple broker-dealers and will not aggregate orders for the same security for multiple clients if such purchase or sale was based on separate investment decisions. In addition, in cases where the client has negotiated the commission rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade. In cases where trading or investment restrictions are placed on a client's account, the Adviser may be precluded from aggregating that client's transaction with others. In such a case, the client may pay a higher commission rate and/or receive less favorable prices than clients who are able to participate in an aggregated order. 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. To the extent an order is price-averaged, a client account participating in the trade may pay a higher price than if the Adviser did not aggregate the order. 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 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.

The Adviser or its related persons may also participate in an aggregated order.

Item 13. Review of Accounts

Each client account is reviewed by the Chief Compliance Officer of the Adviser on an ongoing basis to determine whether securities positions should be maintained in light of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account.

Significant market events affecting the prices of one or more securities in client accounts may trigger reviews of client accounts on other than a periodic basis.

Investors receive written reports from the Fund pursuant to the terms of the applicable offering memorandum. The Separate Accounts will receive written reports from the Adviser as set forth in the investment management agreements entered into between the Separate Accounts and the Adviser.

Item 14. Client Referrals and Other Compensation

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.

Item 15. Custody

An affiliate of the Adviser has custody of the Fund's assets due to its role as the general partner to the Fund, a limited partnership. The Adviser complies with Rule 206(4)-2 under the Advisers Act and 21 VAC5-80-146 (each as used herein, the "Custody Rule") by ensuring the delivery of audited financial statements at least once annually to all of the Fund's investors. The Fund's auditor is an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles in the U.S. and are distributed to each Fund investor within 120 days of the applicable Fund's fiscal year end.

The Adviser does not have custody with respect to any Separate Accounts, Planning Clients, Pension Consulting Clients or any other client accounts. Such clients maintain their own custody relationships.

The Adviser also sends quarterly statements directly to Separate Account clients, in addition to those sent by the qualified custodian. Clients should compare any quarterly statements they receive from the custodian with those received from the Adviser.

Item 16. Investment Discretion

The Adviser provides investment advisory services to all of its clients on a discretionary basis. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority.

Prior to assuming full discretion over 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), and (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) a client's investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on 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. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a *pari passu* basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Allocations will be made among client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a client's status as a "restricted person" under applicable regulations.

Securities acquired by the Adviser for its clients through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those client accounts eligible to hold such securities. Eligibility will be based on the legal status of the clients and the clients' investment objectives and strategies.

The Adviser may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine the appropriate course of action. To the extent that trade errors occur, the Adviser's error correction procedure is to ensure that clients are treated fairly. The Adviser has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy. The Adviser is not responsible for the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by the Adviser.

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.

The Adviser will abstain from voting or affirmatively decide not to vote if the Adviser determines that abstention or not voting is in the best interests of the client. In making this determination, the Adviser will consider various factors, including, but not limited to, (i) the costs associated with exercising the proxy (e.g., translation or travel costs); and (ii) any legal restrictions on trading resulting from the exercise of a proxy.

If a material conflict of interest between the Adviser and a client exists with respect to voting proxies, the Adviser will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the client or take some other appropriate action.

Item 18. Financial Information

The Adviser (or an affiliate) has discretionary authority of certain client funds or securities. There is no financial condition that is reasonably likely to impair the Adviser's ability to meet contractual commitments to clients.

Item 19. Requirements for State-Registered Advisers

Jonathan Holtaway was born in 1971 and is the President and Chief Compliance Officer of the Adviser and the co-Portfolio Manager for the Fund. In 2005, Mr. Holtaway co-founded the Fund and, in 2009, he co-founded 1st Portfolio Holding Corporation, a residential mortgage and wealth management company, which was sold in 2015. Mr. Holtaway is a graduate of the University of Pennsylvania and the Wharton School of Business with a B.A. in History and a B.S. in Economics, respectively. In 2013, he authored the book, *The Growth Penalty: Unfinished Business, Banking and the American Recovery*.

Jacques Rebibo was born in 1939 and is the Manager and Chairman of the Adviser and the co-Portfolio Manager for the Fund. Mr. Rebibo has been a bank investor for over 32 years and served on the Fairfax Bank & Trust board of directors from 1985 until 1994, when the bank was sold to F&M National. In 1999, Mr. Rebibo co-founded Access National Bank and served as its Chairman for nine years. The bank trades on the Nasdaq National Market under the symbol ANCX. Mr. Rebibo formerly was Chairman of 1st Portfolio Holding Corporation, which is a residential mortgage and wealth management company he co-founded in 2009. He was CEO and founder of Mortgage Investment Corporation, a mortgage company based in Northern Virginia. Mr. Rebibo graduated from Memphis State University with a B.S. in Mathematics and the University of Maryland, with an M.A. degree also in Mathematics.

Michael Duprey was born in 1973 and is an Executive Vice President of the Adviser. Mr. Duprey has 17 years of wealth management and financial planning experience. Mr. Duprey previously advised individual investors, trusts, small businesses and foundations at 1st Portfolio Wealth Advisors from June 2012 through August 2017. In his practice, Mr. Duprey focuses on a diversified, global, multi-asset strategy and income generation. Mr. Duprey has been in the asset management industry since 1999, when he joined the Equity Syndicate Team at Morgan Stanley. At Morgan Stanley, Mr. Duprey was involved in wealth management, brokerage, institutional money management and small business lending. Mr. Duprey also worked in the Private Wealth Group of Charles Schwab & Co. Mr. Duprey is a graduate of The University of Iowa with a B.A. in Sociology, and Wayne State University with a M.A. Education degree.

Nevin Kaul was born in 1962 and is a Vice President of the Adviser. Mr. Kaul has over 12 years of experience managing assets for individual investors and business owners. Prior to joining the Adviser, Mr. Kaul was with 1st Portfolio Wealth Advisors, where he was a specialist in customized corporate retirement strategies for private medical practices and business owners. Mr. Kaul works with clients on portfolio construction and maintenance, risk analysis, estate planning and tax planning. Mr. Kaul began his career in wealth management at Citi Smith Barney/Morgan Stanley working with clients to align their assets to clearly defined financial goals and mitigate risk. Mr. Kaul was a founding principal in a private government technical contracting business where he founded the commercial development arm of the firm and grew the business to over \$16 million in annual revenue.

None of Jonathan Holtaway, Jacques Rebibo, Michael Duprey or Nevin Kaul is actively engaged in any other business activity.

An affiliate of the Adviser may receive performance based compensation based on a share of the capital appreciation of the assets of the Fund. The performance based compensation for the Fund ranges from 0% to 20% of the net profits (including net unrealized gains) for a fiscal year and is subject to a loss carryforward. The receipt of performance-based compensation by an affiliate of the Adviser may create an incentive for the Adviser to recommend an investment that may carry a higher degree of risk to the Fund than if such compensation were not received.

1. None of Jonathan Holtaway, Jacques Rebibo, Michael Duprey or Nevin Kaul has been found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;

- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

2. None of Jonathan Holtaway, Jacques Rebibo, Michael Duprey or Nevin Kaul has been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.