

Item 1: Cover Page

**Part 2A of Form ADV**  
**PARKS CAPITAL MANAGEMENT, LLC**  
**Brochure**

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This Brochure provides information about the qualifications and business practices of Parks Capital Management, LLC (“Parks Capital” or the “Adviser”), CRD #293045. If you have any questions about the contents of this Brochure, please contact the Adviser’s Chief Compliance Officer, Kevin Parks, at [kp@parkscap.com](mailto:kp@parkscap.com) or at 646 470 9749. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

The Adviser may refer to itself as a registered investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). These references do not imply a certain level of skill or training.

## Item 2: Material Changes

This Brochure is an update to the Firm's most recent brochure update in February 2019. Since then, Brian Casey has left the firm to pursue other opportunities. Kevin Parks has taken over as the firm's Chief Compliance Officer. There have been no other material changes to the firm or its policies and procedures.

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#### Item 4: Advisory Business

A. Parks Capital is an investment adviser with its principal place of business in New York, New York that commenced operations in August of 2016. Its principal owner is Kevin Parks, Founder, President, CIO and Managing Member (“Managing Member”).

Parks Capital currently provides discretionary investment advisory services to a private pooled investment vehicle, the KP Value Fund, L.P. (“the Fund”). In addition, the Firm serves as a Sub-advisor to Angel Oak Funds Trust, an open-end management investment company registered under the Investment Company Act of 1940 (the “Mutual Fund”). In the future the Adviser may provide services to additional investment vehicles or managed accounts that Parks Capital or its affiliates may manage. Each of the Fund, Mutual Fund and any managed accounts will be identified in this Brochure as the Adviser’s “Clients” or “Client”.

B. Parks Capital currently provides investment advisory services to Clients focused on investments in publicly-traded equity securities (long and short), and may also trade and invest in other financial instruments to the extent deemed appropriate by the Advisor, including without limitation, preferred stocks, limited partnership interests, fixed income, warrants, equity derivatives, convertible securities, debt securities, listed and unlisted options, shares of beneficial interest, convertible preferred obligations, rights, options, puts and calls with respect to the foregoing, and, in the future, commodity interests (futures, options on futures, certain swaps subject to regulation by the CFTC), other swaps and derivatives of any kind. The investment strategy of the Fund and Mutual Fund is set forth in the offering and related documents of each respective Fund.

C. Parks Capital does not currently tailor its advisory services to the individual needs of the Fund and at present the Fund cannot impose restrictions on investing in certain securities or types of securities. The Mutual Fund has a defined investment strategy which is outlined in the Mutual Fund prospectus, and the Firm is bound by agreement to invest in accordance with that strategy. In the future and as determined on a case-by-case basis, future separately managed account Clients (if any) may be able to place investment restrictions on investing in certain securities or other assets and Parks Capital may tailor its advisory services to the individual needs of any such Clients.

D. Not applicable.

E. As of July 31, 2018, Parks Capital had discretionary regulatory assets under management of approximately \$ 14,900,000.

## Item 5: Fees and Compensation

The Adviser is generally paid by the Fund, as of the beginning of each calendar quarter, in advance, a management fee at the rate of (i) one percent (1.0%) per annum for *Class A Investors* and (ii) one and one-half percent (1.5%) per annum for *Class B Investors*. Please refer to the Prospectus for Fees and Compensation with respect to the Angel Oak Funds Trust.

A. Management fees are generally deducted from the assets of the Fund by Parks Capital on a quarterly basis, in advance. Management fees are not generally negotiable by investors in the Fund. With respect to a separately managed account Client, management fees may be negotiable depending on the size of such Client's proposed allocation. Parks Capital may also elect to waive or reduce any management fees payable by an investor in the Fund (in limited instances). Except as set forth below, management fees are typically non-refundable once paid.

B. As described more fully in the Fund's offering documents, in addition to paying investment management fees and performance-based compensation, the Fund may also be subject to other investment expenses (e.g., brokerage fees and commissions and interest expense), legal, accounting and consulting expenses, auditing and tax preparation expenses, news, quotation and computer equipment and services, dues and subscriptions, expenses incurred for research and investment information related purposes, expenses relating to the offer and sale of limited partnership interests and other expenses related to the Fund. Please also review the offering and related documents of the Fund for a description of the fees and expenses associated with an investment therein. See also Item 12 for a discussion of brokerage fees paid by the Fund.

C. Management fees charged to the Fund are taken in advance. If an investor in the Fund invests other than as of the beginning of the quarter or an investor in the Fund makes an addition to its investment during a quarter the investment management fee will be charged as of the effective date of the investment and will be prorated for the number of months remaining in the quarter. In the event of a withdrawal by an investor in the Fund other than as of the last day of a calendar quarter, a pro rata portion of the management fee, based upon the actual number of days remaining in such quarter, will be repaid by the Investment Manager to the Fund for the benefit of such withdrawing investor.

D. Neither Parks Capital nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## Item 6: Performance-Based Fees and Side-by-Side Management

The Adviser's affiliate, Parks Capital GP, LLC (the "General Partner"), is entitled to be paid annual performance-based compensation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of the Fund. This performance-based compensation ranges from ten percent (10%) for *Class A Investors* to fifteen percent (15%) for *Class B Investors* and is subject to a high-water mark in each case. Performance-based compensation is taken within a reasonable time following the end of the year in which such compensation was achieved.

Earned incentive payments are deducted from a Fund investor's assets at the end of each year and upon each withdrawal of capital by a Fund investor. Under certain limited circumstances, performance compensation may be negotiable.

Parks Capital's affiliate's right to receive performance-based compensation may create an incentive for Parks Capital to cause the Fund to make investments that are riskier or more speculative than would be the case if Parks Capital's affiliate did not receive such compensation. Notwithstanding the foregoing, Parks Capital always acts in the best interest of the Fund.

Parks Capital has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple 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 on a fair and consistent basis. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that all clients are treated fairly and equitably. Similarly-managed accounts will participate in investment opportunities based on factors specific to the accounts' relative sizes, liquidity, investment mandate, and the Adviser will document all allocation decisions, consistent with internal policies.

## Item 7: Types of Clients

As described in Item 4, the Adviser's Clients currently consist of a Delaware limited partnership that is a pooled investment vehicle and an unaffiliated Mutual Fund. For the limited partnership, Investors must contribute a minimum of \$500,000 (which may be waived or reduced in the Fund's discretion) on a case by case basis. Investor minimums for the Mutual Fund may be found in the Fund's prospectus.

While the Adviser does not currently have any other separately managed account Clients, it is intended that any such Clients will be subject to minimum investment amounts, as determined by the Adviser.

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

A. The Fund seeks to achieve attractive rates of return while working to minimize risk of loss. In order to pursue this objective, Parks Capital will invest primarily in equities, both long and short, focused on small-cap U.S. community bank opportunities. Parks Capital will take a value oriented, research-driven approach, identifying high-performing community banks with discounted valuations. The core focus will be on commercial banks with assets ranging from \$1 billion - \$5 billion and market caps ranging from \$100 million - \$500 million.

Please refer to the Prospectus for Methods of Analysis, Investment Strategies and Risk of Loss with respect to the Angel Oak Funds Trust.

The Fund's portfolio will generally have a long bias, depending on market opportunities. The core focus will be publicly-traded, small-cap community bank equities, but the Fund may allocate capital on an opportunistic basis to select credit opportunities in the financial sector, i.e. preferred stock and sub debt investments. The Fund will generally aim to hold approximately 20 - 30 positions, the largest of which will not exceed 10% of invested capital (measured at the time of investment). The expected holding period of any position is expected to be at least one year, which may change as market prices fluctuate and the original investment thesis is continually reexamined. The Fund does not currently intend to use leverage.

Investments in micro, small and medium capitalization companies involve greater risk than is customarily associated with larger, more established companies. Smaller companies often have limited markets or financial resources, and they may be dependent upon small management teams. Securities of smaller companies may have limited marketability and may be subject to more abrupt or erratic movements in price than securities of larger companies or market averages in general.

B. The following material risks are related to the Adviser's investment strategies:

- Investment and Trading Risks. All investments risk the loss of capital (including a complete loss of capital). No guarantee or representation is or will be made that the Fund's program will be successful or will avoid losses. The Fund's investment program may involve, without limitation, risks associated with limited diversification, industry concentration, short-selling, equity risks, distressed issuers, interest rates, volatility, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Fund may, in certain circumstances, substantially increase the impact of adverse market movements to which the Fund may be subject. In addition, the Fund's investments may be materially affected by conditions in the



financial markets and overall economic conditions occurring globally and countries or markets where the Fund invests its assets.

- Discretionary Strategy. While the Investment Manager does make use of quantitative analysis in its investment process, it generally relies primarily on the Principal's industry expertise, experience, research and other qualitative analysis to trade and invest the Fund's assets.
- Relative Value and Directional Investments. The Fund's investment strategies depend on the Investment Manager's ability to accurately predict future price movements or the convergence of market prices toward the theoretical values expected by the Investment Manager. Any such attempt to predict future price movements is inherently risky and inaccurate. Often, price movements are determined by unanticipated factors, and the Investment Manager's analysis of known factors may prove incorrect, in each case potentially leading to substantial losses to the Fund.
- Limited Diversification. The Investment Manager expects the Fund's portfolio to be somewhat concentrated. As a result, the Fund could experience significant losses if general economic conditions, and those relevant to the issuers whose securities are owned by the Fund, decline. In addition, the Fund's portfolio could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, strategies, countries or geographic regions, and any such concentration of risk may increase losses suffered by the Fund. This limited diversity could expose the Fund to losses disproportionate to market movements in general. Other investment funds pursue similar strategies, which creates the risk that many funds may be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses.
- Long Bias. The Fund maintains a long bias in its portfolio. In other words, even though the Fund will be long certain securities and short other securities, overall it will be net long. In contrast, some alternative investment funds try to stay "market neutral," meaning that they have neither a long nor a short bias, and as such, they attempt to avoid generalized swings in the trajectory of the equity markets in either direction (up or down). Given the Fund's long bias, it will be more exposed to losses than a market neutral fund would be in times of general market downturns and declining prices of equity securities.
- Low Turnover and Long Holding Periods. The Investment Manager expects to trade the Fund's portfolio slowly. While low turnover reduces the trading costs experienced by the Fund, Investors will be exposed for longer periods of time to market risks with respect to each security held than they would be in a rapid trading system.
- Equity Risks. The Fund will invest in equity and may invest in equity-derivative securities. The market price of securities owned by the Fund may go up or down, sometimes rapidly or

unpredictably. A risk of investing in the Fund is that the equity securities in its portfolio will decline in value due to factors affecting equity securities markets generally or the sectors in which the Fund will invest. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which the Investment Manager believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Investment Manager anticipates. As a result, the Fund may lose all or substantially all its investment in any instance.

- Corporate Debt. The Fund may invest in bonds, notes and debentures issued by corporations. These instruments may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. The Fund may invest in corporate debt instruments that have experienced or are contemplated to experience ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. Credit ratings evaluate the safety of the principal and interest payments, not the market value risk of lower-rated instruments. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis and, as a result, outstanding ratings may not reflect the issuer's current credit standing. Conversely, rating agencies may re-rate an instrument which could cause substantial loss as the ratings are downgraded. The Fund's investments may experience significant credit rating volatility, which may result in significant market value volatility and the potential for substantial loss. In addition, the Fund may be paid interest in kind in connection with its investments in corporate debt and related financial instruments (e.g., the principal owed to the Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.
- Investment in Small- and Medium-Capitalization Companies. The Fund will trade and invest in equity and debt securities of small- and mid-cap issuers. Smaller capitalization stocks involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher

than for larger, “blue-chip” companies. In addition, due to thin trading in some small capitalization stocks, an investment in those stocks may be highly illiquid. Some small companies have limited distribution channels and financial and managerial resources. Such companies may also be dependent on personnel (including key personnel) with limited experience.

- Short Selling. The Fund expects to engage in short selling. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, the Fund will engage in short sales only where the Investment Manager believes the value of the security will decline between the date of the sale and the date the Fund is required to return the borrowed security. The making of short sales will expose the Fund to the risk of liability for the market value of the security that is sold, which will be an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed by the Fund at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a “short squeeze” can occur, and the Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.
- “New Issues.” The Fund may trade and invest in “new issues” (defined as any initial public offering of an equity security). Trading and investing in new issues involves greater risk than securities trading in general. The prices of new issues may not increase as expected and, in fact, may decline more rapidly. While most people assume that new issues will trade at a premium to their issue price until they are liquidated, there is no guarantee that this will occur. Such securities have no public market prior to their initial offering or creation and there is no assurance that (i) an active public market in such securities will develop or continue after commencement of trading or (ii) that the initial public offering price or initial trading level of such securities will be indicative of the market price for such securities on a “fully-distributed” basis. In order for the Fund to trade “new issues,” each investor must represent and warrant in the Subscription Booklet that it either is or is not a “Restricted Person” within the meaning of FINRA Rule 5130, and the Fund will be relying on such representations and warranties in engaging in its business activities. Investors who are “Restricted Persons” may not participate in some or all of the gains, losses or expenses of the Fund related to new issues in compliance with FINRA rules.
- Investments in Undervalued Equity and Equity-Related Securities. The Fund will invest in what the Investment Manager believes to be undervalued equity and equity-related securities. The identification of investment opportunities in undervalued securities is a

difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Fund's investments may not adequately compensate for the business and financial risks assumed. The Fund may make certain speculative investments in securities which the Investment Manager believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. In addition, the Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Fund's assets may be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, the Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period. If the Investment Manager takes long positions in stocks that decline and short positions in stocks that increase in value, then the losses of the Fund may exceed those of other portfolios that hold long positions only.

- Less Liquid Instruments. The Fund may invest in securities which may be thinly traded or otherwise illiquid. In addition, the Fund may from time to time hold large positions with respect to a specific type of instrument, which may reduce the Fund's liquidity. The Fund may be unable to timely dispose of certain assets, which would adversely affect the Fund's ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Fund to dispose of assets at reduced prices, thereby adversely affecting the Fund's performance. If there are other market participants seeking to dispose of similar assets at the same time, the Fund may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if the Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with a market downturn, the Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Fund's credit risk to them.
- Interest Rate Risks. In addition to its investment in public equity securities, the Fund may invest in debt obligations of government issuers (e.g., U.S. treasury bills) as a part of an overall cash management strategy. These and various other assets, as well as the Fund's borrowings, will subject the Fund to risks associated with movements in interest rates. For example, the Fund will be required to manage both curve risk, which is the risk that the slope of the yield curve will vary from the slope assumed in the Fund's strategy, and credit spread risk, which is the risk that the spreads between yields of differently rated issuers will change in a manner that adversely affects the Fund's portfolio.
- Cybersecurity Risks. The Firm, Clients and third-party service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users

as well as unintentional damage or interruption that, in either case, can result in damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches and usage errors by their respective professionals.

A cybersecurity breach could expose the Firm and Clients to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized access to and use of proprietary information, litigation, the dissemination of confidential and proprietary information and reputational damage), civil liability as well as regulatory inquiry and/or action. While the Firm has established a Business Continuity Plan and risk management strategies, systems, policies and procedures to seek to prevent cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. In addition, since the Firm does not directly control the cybersecurity systems of third-party service providers, there can be no assurance that the cybersecurity practices of these providers will protect the Firm or Clients from any potential breaches.

C. The following risks are related to the Adviser's investment focus in financial institutions:

- Banking Supervision and Regulation. The extensive regulation, supervision and examination of financial services entities by U.S. federal and state law and regulatory agencies, which regulatory framework is subject to changes that may affect materially the operations and results of financial services entities and their holding companies including, for example, the consequences of legislation which limits the ability of banks to engage in proprietary trading and increases capital requirements.
- Dividend Restrictions. The ability of a banking organization to pay dividends or make capital distributions is limited by federal and/or state laws, by regulations of applicable bank regulatory agencies, and by principles of prudent bank management. As a result, banking organizations have less latitude to issue dividends than non-banking entities.
- Capital Requirements. Banking organizations are subject to strict regulatory capital requirements, which require the organization to maintain certain core capital and risk based capital ratios and limit the type of assets that qualify as capital. While these regulatory capital requirements protect the financial security of banking organizations, they may also cause organizations to forgo growth and potentially profitable opportunities because of the impact (real or potential) on their capital ratios.
- Reserve and Liquidity Requirements. In addition to the capital requirements, banking organizations that are depository institutions are required to comply with (i) reserve requirements that require an institution to maintain cash reserves at least equal to a certain percentage of the total value of all its transactional accounts and non-personal time

deposits, and (ii) liquidity requirements that require an institution to maintain cash and other liquid assets at least equal to a certain percentage of the total value of its net withdrawable deposit accounts and borrowings payable in one year or less. As with the capital requirements, the reserve and liquidity requirements could also cause depository institutions to forgo potentially profitable opportunities because of the impact (real or potential) on their reserve or liquidity ratios.

Parks Capital will rely heavily on the services of the Managing Member. Should Mr. Parks determine to discontinue managing the affairs of, or withdraw from, Parks Capital or should Mr. Parks die, become incapacitated or, for some other reason, be unable to effectively manage the affairs of Parks Capital, the business and results of the operations of the Clients may be adversely affected.

## Item 9: Disciplinary Information

The Adviser has no legal or disciplinary events to disclose.

## Item 10: Other Financial Industry Activities and Affiliations

- A. Neither Parks Capital nor any of Parks Capital's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Parks Capital nor any of its management persons is registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing.
- C. The General Partner, a related person of Parks Capital, serves as the Fund's general partner. This relationship creates an incentive for Parks Capital to make investment allocations that are riskier or more speculative than would be the case if the General Partner did not receive incentive compensation from the Fund for serving as the general partner to the Fund.



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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its related persons to put the interests of the Clients before their own interests and to act honestly and fairly in all respects in their dealings with the Clients. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. For additional information about the Code, contact Kevin Parks at 646 470 9749 or [kp@parkscap.com](mailto:kp@parkscap.com). See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers of securities, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of the Client. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, including the Clients.

The Adviser maintains written policies and procedures reasonably designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Adviser is acting 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. The Adviser and its personnel are prohibited from communicating such information with respect to the Clients or using such information for the Clients’ benefit.

To the extent that the Adviser or its related persons invest in the same securities that the Adviser or a related person recommends to a Client, such practices present a conflict where, the Adviser or its related person is in a position to trade in a manner that could adversely affect the Clients. 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 the 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 related persons to pre-clear certain transactions in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on the Client. In addition, the Code prohibits the Adviser or its related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All the Adviser’s related persons are also required to provide a monthly certification of transactions in which they engaged. Trading in employee accounts will be reviewed by the Chief Compliance Officer or his delegate and compared with transactions for the Client accounts and reviewed against the restricted securities list.

To the extent that the Adviser or a related person or any of their employee's own securities that the Adviser also recommends to a Client, such Client's proxies will be voted according to predetermined guidelines rather than subject to the Adviser's (or its related person's) discretion. Please refer to Item 17 for further information regarding the Adviser's proxy voting policy and procedures.

To the extent the Adviser buys or sells securities for a Client, at or about the same time that the Adviser or a related person buys or sells the same securities for its own account the Adviser and the related person, if applicable, will do so in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for the Adviser or its related person to the detriment of the Client.

## Item 12: Brokerage Practices

The Adviser considers several 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 among others, the brokers' ability to affect such transactions, their facilities, reliability and financial responsibility, and the provision or payment of the costs of brokerage or research products or services, including access to meetings with management of companies and investment ideas, which the Adviser considers to be of benefit to its clients and the Adviser. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus the Fund 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 receives research or other products or services other than trade execution services from a broker-dealer and/or a third party in connection with securities transactions its clients. This is known as a "soft dollar" relationship. The Adviser limits the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. 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.

The use of brokerage commissions (or markups or markdowns) from transactions for Clients ("Commissions") to obtain research and brokerage products and services raises potential conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This could create an incentive for the Adviser to select or recommend a broker-dealer based

on the Adviser's interest in receiving those products and services. Nonetheless, the Adviser will seek to execute client transactions with best execution under the circumstances.

The Adviser may cause Clients to pay Commissions to certain broker-dealers that are higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying up), resulting in higher transaction costs for Clients. Research and brokerage services obtained using Commissions may be used by the Adviser in its other investment activities. The Adviser does not seek to allocate soft dollar benefits to Clients proportionately to the soft dollar credits Client accounts generate.

During the Adviser's last fiscal year, as a result of Commissions, the Adviser and/or its related persons acquired research reports (including market research); certain financial newsletters and trade journals; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; services related to the execution, clearing and settlement of securities transactions and functions incidental thereto; 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; and routing settlement instructions.

In determining whether to direct Commissions to particular broker-dealers, select employees of the Adviser generally meet quarterly 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.

From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to the Fund. The Adviser may place portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer solely as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs. This practice may create a conflict of interest because the Adviser could have an incentive to select a broker-dealer based on its interests in receiving such recommendations or capital introduction opportunities. Nonetheless, the Adviser will seek to execute client transactions with best execution under the circumstances.

Parks Capital's aggregation policy requires that all clients be treated fairly and equitably over time and that unless otherwise noted, each participating account receives pro rata the average price while transaction costs are shared pro rata based on participation. Further, Parks Capital will not aggregate transactions unless to do so is consistent with its duty to seek best execution for its Clients and participating clients (as well as the allocation methods) are specified before entering an aggregated order.

It is intended that, in the future, orders on behalf of Clients which will be aggregated, will be deposited with one or more banks or broker-dealers, and neither the Client's cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for the Clients will be delivered out to the custodian or broker-dealer as soon as practicable following the settlement. Our books and records will reflect securities held by, or bought or sold for, Clients that participate in an aggregation. No additional compensation will be due because of aggregation.

The Company or its affiliate may cause investment funds and/or accounts managed by the Company or its affiliate to purchase securities or other instruments from, or sell securities or other instruments to, investment funds and/or accounts managed by the Company or its affiliate ("Cross Trades"). The Company and/or its affiliates will not charge brokerage commissions or otherwise be compensated for effecting any such Cross Trades. All Cross Trades will reflect the market value of the security or other instrument being purchased or sold and the Company and/or its affiliates, as applicable, will always seek best execution. Prior to effecting any Cross Trade, the Company will make a good faith determination that the transaction is in the best interests of all parties to the transaction which are advised by the Company or its affiliates. Any Cross Trade will be brought to the attention of the Chief Compliance Officer or its designee prior to executing the transaction so that the Company complies with all required procedures and provisions of the Advisers Act.

### Item 13: Review of Accounts

- A. The Managing Member regularly reviews and monitors each Client's investment portfolio to determine whether positions should be maintained in view of current market conditions. The Adviser's review may consider specific securities held, adherence to investment guidelines and each Client's performance. Investors receive reports regarding the Fund and Mutual Fund as described in the offering documents and prospectus, respectively.
- B. The Adviser may conduct reviews other than on a periodic basis generally depending on the facts and circumstances at that time.
- C. Investors receive reports regarding the Fund periodically and received audited financial statements from the Fund annually, within 120 days after the Fund's fiscal year-end.

## Item 14: Client Referrals and Other Compensation

A. The Adviser may receive certain research or other services from broker-dealers which can be considered an economic benefit. Receiving the aforementioned research and other services may 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 Clients.

B. While not presently in place, the General Partner and/or the Adviser may appoint one or more brokers or placement agents to assist in the placement of interests in the Fund ("Interest") (each, a "Placement Agent"). Placement fees payable to Placement Agents in respect of Interests sold by it will be paid out of the fees and allocations payable to Parks Capital and the General Partner, respectively, and will not increase the fees and allocations payable by investors. Such placement fees will vary depending on the arrangements between the Client and the Placement Agent. The Adviser may, in the future, retain Placement Agents to assist in locating separately managed account Clients.

## Item 15: Custody

The General Partner, an affiliate of Parks Capital, serves as the general partner of the Fund and as such is deemed to have custody of the Fund's funds and securities. Investors in the Fund will receive audited financial statements prepared in accordance with US generally accepted accounting principles within 120 days of the Fund's fiscal year-end.



## Item 16: Investment Discretion

Investors in the Fund and Mutual Fund have no authority to make decisions or participate in the management of or exercise business discretion with respect to the Fund or Mutual Fund. The authority to make all investment decisions for the Fund and Mutual Fund (or, in the future, a managed account) is entrusted to the complete discretion of Parks Capital. Accordingly, no person should invest in the Fund, Mutual Fund or consider a managed account unless he or she is willing to entrust all aspects of the management thereof to Parks Capital.

## Item 17: Voting Client Securities

Proxies, when voted, will always be voted in the best interest of the Advisor's clients. The Advisor shall consider all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote.

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

Fund investors and managed account Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted proxies by contacting Kevin Parks (Chief Compliance Officer) by email at [kp@parkscap.com](mailto:kp@parkscap.com) or by telephone at 646 470 9749.

## Item 18: Financial Information

Not applicable.

## Item 19: Requirements for State-Registered Advisers

Not applicable.