



Item 1 – Cover Page

## Vance Street Capital LLC

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[www.vancestreetcapital.com](http://www.vancestreetcapital.com)

March 2019

This Brochure provides information about the qualifications and business practices of Vance Street Capital LLC. If you have any questions about the contents of this Brochure, please contact us at 310-231-7100 or by email to [rroeder@vancestreetcapital.com](mailto:rroeder@vancestreetcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Vance Street Capital LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Vance Street Capital LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Since the last annual updating amendment of the Form ADV dated March 30, 2018, the following changes have been made to this Brochure:

Effective July 2, 2018, Gary Joyce, Partner, Chief Financial Officer, and Chief Compliance Officer, is no longer employed by Vance Street Capital. Richard Roeder, Managing Partner, replaced Mr. Joyce as Chief Compliance Officer. Jessica Boltinghouse, VP Finance, assumes Mr. Joyce's chief financial officer responsibilities.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Richard Roeder, Managing Partner and Chief Compliance Officer at 310-231-7100 or [rroeder@vancestreetcapital.com](mailto:rroeder@vancestreetcapital.com).

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#### Item 4 – Advisory Business

Vance Street Management, LLC, a Delaware LLC (a/k/a Vance Street Capital) (“VSM” or the “Firm”), is a Los Angeles based private equity firm that began business in August 2007. The Firm currently manages two discretionary private funds, Vance Street Capital LLC (“VSC I”) and Vance Street Capital II, L.P. (“VSC II,” collectively referred to herein as the “Funds”). VSM may also manage additional private funds in the future. VSC I is managed by VSM, which acts as VSC I’s managing member. Richard Crowell, Richard Roeder, Brian Martin and Michael Janish are the managing members of VSM. The General Partner of VSC II is VS Capital Partners II, LLC (“VSCP”), a Delaware LLC. Richard Crowell and Richard Roeder are the managing members of VSCP. VSC II is managed by VSM.

The Funds have been formed primarily to make investments in middle-market companies with enterprise values typically between \$30 million and \$250 million with a focus on the aerospace, defense, precision manufacturing, and medical products industries. Each Fund may participate in investments directly or through alternative investment vehicles established for one or more of the applicable Fund’s limited partners in order to address certain tax, regulatory, legal or other considerations (each, an “AIV”). For example, in connection with VSC II’s investment in a Canadian portfolio company, the Firm formed an AIV domiciled in the Cayman Islands through which all of VSC II’s limited partners participated in such investment.

The Funds may also co-invest in investments with limited partners and third parties who may be affiliated with the Firm or any of the Funds’ partners. Under certain circumstances, the Firm may facilitate such co-investments by establishing a co-investment vehicle, managed by VSM or its affiliate (each, a “Co-Investment Vehicle,” and together with the Funds and AIVs, each, a “Client,” and collectively, the “Clients”), and through which the Funds and one or more co-investors may participate in one or more investments.

As of December 31, 2018, the Firm manages discretionary Client assets in the amount of \$715.2 million. The Firm does not manage assets on a non-discretionary basis.

#### Item 5 – Fees and Compensation

VSM charges an annual management fee to each Fund based on its capital commitments (which is reduced to a basis of the Fund’s invested capital no later than the end of the Fund’s commitment period), payable quarterly in advance (“Management Fees”). This Management Fee may be reduced by such Fund’s allocable share of certain (a) transaction, break-up, investment banking and similar fees received by VSM, VSCP, their principals and affiliates (collectively, the “VSC Affiliates”) in connection with such Fund’s actual or proposed purchase or sale of portfolio investments and (b) monitoring or similar fees received by the VSC Affiliates.

Management Fees may be paid by each Fund using either operating income or disposition proceeds generated from the Fund’s investments, or from capital contributed to the Fund by its limited partners.

If a Fund overpays the Management Fee for any quarterly period (whether by reason of a change in the calculation of the Management Fee for the period, a termination of the Management Fee for the period, or otherwise) with respect to any of the Fund's limited partners, the excess payment will be refunded to the applicable limited partner, or deducted against future capital calls.

Historically, the Firm has not charged Co-Investment Vehicles any Management Fees, but it may do so in the future.

Investors and prospective investors in the Funds should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

In addition to fees described in Item 5, VSM and VSCP are entitled to receive performance-based compensation from VSC I and VSC II, respectively. Under these performance-based compensation arrangements, each of VSM and VSCP may receive a carried interest of up to 20% of total profits distributed by the applicable Fund after aggregate distributions to investors in the Fund equals a pre-determined hurdle rate calculated on invested capital.

When a Fund makes an investment through an AIV, the economic results of that AIV will typically be aggregated with the economic results of the Fund to determine whether VSM or VSCP (as the case may be) is entitled to any performance-based compensation as a result of any distributions made by the Fund or the AIV from the proceeds of such investment.

Performance-based fees may create an incentive for the Firm to make riskier or more speculative investments than would be the case in the absence of such arrangement. Performance-based fees may also create an incentive for the Firm to favor Clients with performance-based fee arrangements over Clients that do not have such arrangements. However, the Firm is committed to fulfilling its fiduciary duty to its Clients and to act at all times in their best interest. The Firm has implemented internal controls to address the potential conflicts associated with performance-based fees and periodically reassesses these controls. Additionally, the Firm's allocation policies are designed to ensure investment opportunities are allocated fairly over time and allocations are not determined based on the desire to earn a performance-based fee.

#### **Item 7 – Types of Clients**

VSM provides private equity management services to the Clients. Investors in the Clients include high net worth individuals and institutional investors.

Typically, the minimum capital commitment of a limited partner in a Fund is \$1 million, although VSM may waive this minimum for certain investors. There is no minimum capital commitment requirement for investors in other Clients.

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

The Clients invest in middle market companies with enterprise values typically between \$30 and \$250 million. Preferred industries include aerospace, defense, precision manufacturing, and medical products. Based on our experience, companies in this size range present strong potential for growth and value appreciation.

VSM generally measures opportunities against the following criteria:

- Strong, committed management team
- History of growth and profitability
- Sustainable competitive advantage
- Strong return on tangible assets
- Revenue growth opportunities
- Profit margin improvement opportunities
- Strategic acquisition opportunities

VSM will only invest when we believe we can provide value beyond our capital by delivering resources to accelerate operational improvements, spur revenue growth and support strategic acquisition opportunities.

VSM pursues investment opportunities through business brokers, investment banks, and other intermediaries. VSM also identifies investment opportunities through direct contact with the managers and owners of private companies. VSM invests in companies where it believes there is a clear path to improving operating performance and market position, and where management and VSM have developed a close alignment of interests. VSM believes that this selectivity, diligent execution of a detailed plan, and the integration of smaller strategic acquisitions at its portfolio companies, are the main drivers of the returns to investors.

VSM uses moderate leverage with acquired companies to enhance its returns. In addition, VSM typically invests in companies with less than \$25 million of earnings before interest, taxes, depreciation, and amortization (EBITDA). As companies of this size grow, the universe of potential acquirers often expands, and credit markets generally become more liquid. VSM anticipates that this will, in some cases, drive the expansion of the multiples sought in a sale transaction, thus leading to potentially higher returns upon disposition of the investment.

VSM has a developed network of operating partners and consultants to assist with due diligence, the preparation and implementation of operating plans, and performance improvement. Prior to making an investment, VSM completes an analysis of the target company's industry and market position. Specific operating improvement plans are developed for the first 100 days, the first full year, and the five-year horizon, post-closing. After the investment is made, VSM seeks to add directors to the portfolio company's board who have specific expertise in the target industry or relevant functional experience useful to management in executing these plans.

Investing in securities, public or private, involves risk of loss that Clients should be prepared to bear. These risks include a complete loss of capital.

**Cybersecurity Threats.** Clients and their portfolio companies may face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding the limited partners and the Clients' investment activities, or to render data or systems unusable, which could result in significant losses. If such events were to materialize, they could lead to losses of sensitive information or capabilities essential to Clients, and/or a portfolio company's operations and could have a material adverse effect on their reputations, financial positions, results of operations, or cash flows, and also could lead to financial losses from remedial actions, loss of business, or potential liability, or could lead to the disclosure of limited partners' personal information. Cybersecurity attacks are evolving and include, but are not limited to: (i) malicious software, (ii) attempts to gain unauthorized access to data, (iii) other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data, and (iv) phishing emails to collect sensitive information or impersonate authorized persons of the Firm with the intention to defraud and gain unauthorized access to funds. The Clients' or a portfolio company's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems may arise in both the Clients' or a portfolio company's internally developed systems and the systems of third-party service providers.

#### **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of its management.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

Other than managing the Clients, directly or through its relationships with other VSC Affiliates, VSM has no financial industry activities or affiliations that require disclosure under this Item.

#### **Item 11 – Code of Ethics**

VSM has adopted a Code of Ethics for any partner, officer, director (or other person occupying a similar status or performing similar functions) or employee of the Firm or other person who provides investment advice on behalf of the Firm and is subject to the supervision and control of the Firm ("Supervised Persons"). The Code of Ethics includes provisions relating to the confidentiality of Client and investor information, a prohibition on insider trading, restrictions and reporting requirements for certain gifts and business entertainment, and personal securities trading and reporting procedures, among other things. All Supervised Persons of VSM must acknowledge the terms of the Code of Ethics annually, or as amended. The Firm's Clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting Richard Roeder at [roeder@vancestreecapital.com](mailto:roeder@vancestreecapital.com).

VSM's Supervised Persons are required to follow the Firm's Code of Ethics. The Code of Ethics is designed to identify and mitigate certain conflicts of interest in order to ensure that interests of VSM's Supervised Persons will not interfere with (i) making decisions in the best interest of the Clients and (ii) implementing such decisions while, at the same time, allowing Supervised Persons to invest for their own accounts. Certain of VSM's Supervised Persons invest in the Funds through vehicles created for Firm personnel, under the same terms and conditions, except that (a) no Management Fee is charged with respect to employee participation in the investments and (b) no performance-based fee is deducted from the return of gain resulting from the sale of the Funds' investments.

The Code of Ethics requires pre-clearance of certain transactions, which includes investments in any limited offering or private placement. As required by the SEC, Supervised Persons trading is reported and continually monitored under the Code of Ethics to reasonably identify and prevent potential or actual conflicts of interest between VSM Supervised Persons and the Funds.

While VSM believes that its interests with respect to the success of the Clients are generally aligned, it is possible that conflicts of interest among VSM and the Clients might arise. Each Fund has an advisory committee, composed of certain investors in the Fund or their affiliates, to address conflict issues should they arise. VSM and the Clients may use the same legal counsel and accountants.

VSM may, but is not obligated to, offer co-investment opportunities to investors and/or third parties, which it may select in its sole discretion, for investments in a portfolio company either directly or through the formation of one or more Co-Investment Vehicles. There is no guarantee that any investor would be offered a co-investment opportunity.

#### **Item 12 – Brokerage Practices**

The Clients invest in private securities whose purchase or sale does not require brokerage services. As a result, VSM is not in the business of selecting or recommending brokerage services or broker-dealers to Clients.

#### **Item 13 – Review of Accounts**

VSM continuously monitors the investments in Client accounts. Members of VSM's Investment Committee meet to review the status of current and prospective holdings on a weekly basis.

VSM issues written annual and quarterly reports to the investors in the Funds and Co-Investment Vehicles. The reports may include a letter from VSM summarizing recent activity, updates on a Client's investments, and financial statements of the Client at each quarter and year end. The financial statements included in the annual report are audited by the international accounting firm, BDO LLP.



#### **Item 14 – Client Referrals and Other Compensation**

VSM does not compensate any person, directly or indirectly, for Client referrals, other than an arrangement it had with a placement agent with respect to fundraising activities for VSC II.

#### **Item 15 – Custody**

VSM does not maintain physical custody of its Clients' assets. However, the Firm believes that it would generally be viewed by regulators as having custody of Client assets for which VSM or an affiliate serves as the managing member or general partner, or temporary receipt of assets under Rule 206(4)-2 of the Advisers Act (the "Custody Rule"). Accordingly, the Firm and its affiliates intend to adhere to the applicable requirements of the Custody Rule with respect to each Client for which VSM or an affiliate serves as general partner or managing member. VSM will be responsible for arranging the annual independent audits of the Funds by an independent auditor in accordance with U.S. generally accepted accounting principles and for delivery of the audited financial statements to investors within 120 days from fiscal year end, as required by the Custody Rule.

#### **Item 16 – Investment Discretion**

VSM has discretionary authority from the Clients to select the identity and amount of securities to be bought or sold. Discretion is exercised in a manner consistent with the stated investment objectives of the Clients. When selecting securities and determining investment amounts, VSM observes the investment policies, limitations and restrictions contained in the Clients' documentation.

#### **Item 17 – Voting Client Securities**

The Clients own the private companies acquired for them by VSM. As the investment adviser to the Clients, VSM votes on all corporate issues using its best judgment and observing its fiduciary duty to the Clients. VSM will deliver to each investor in a Client, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable Client.

#### **Item 18 – Financial Information**

VSM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Clients.

Richard Crowell  
Vance Street Capital

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March 2019

**This Brochure Supplement provides information about Richard Crowell that supplements the Vance Street Capital Brochure. You should have received a copy of that Brochure. Please contact Richard Roeder, Managing Partner, if you did not receive Vance Street Capital's Brochure or if you have any questions about the contents of this supplement.**

**Item 2 - Educational Background and Business Experience**

Mr. Crowell was born in 1955. He received a master's degree in finance and accounting from UCLA's Graduate School of Management and a B.A. degree from the University of California at Santa Cruz.

Mr. Crowell is a Managing Partner of Vance Street Capital, which he founded in 2007. Prior to the formation of the Firm in 2007, in 1991 Mr. Crowell co- founded and served as President of Aurora Capital Group. Aurora is a private equity investment firm. From 1987 to 1991 Mr. Crowell served as President of Acadia Partners, a private equity investment partnership. From 1983 to 1987 Mr. Crowell held a series of positions culminating in his appointment as a Managing Director of Drexel Burnham Lambert. From 1980 to 1983 Mr. Crowell was a member of EF Hutton's Corporate Finance Department.

Mr. Crowell serves on the Board of Directors of RBC Bearings, Inc. (Nasdaq symbol ROLL) and Quinn Group, Inc. Among other civic and charitable affiliations, Mr. Crowell is a member of the Executive Committee of the Board of Visitors at UCLA's John E. Anderson Graduate School of Management.

**Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

#### Item 4 - Other Business Activities

Mr. Crowell is not engaged in any other investment related business or occupation.

#### Item 5 - Additional Compensation

Mr. Crowell does not receive any compensation for investment related activities other than as a Director of RBC Bearings, Inc. and Quinn Group, Inc.

#### Item 6 - Supervision

Mr. Crowell is a Managing Partner of Vance Street Capital. As such, he has extensive contact with the investors in the Funds and at least annual contact with the members of the Advisory Committee of the Funds. Mr. Crowell is required to comply with the VSM's Compliance Manual, Code of Ethics, and other policies and procedures. VSM's Chief Compliance Officer, Richard Roeder, monitors Mr. Crowell's investment advisory activities for compliance with VSM's policies and procedures. Mr. Roeder's contact information is on the cover page of the Brochure.

Richard Roeder  
Vance Street Capital

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March 2019

**This Brochure Supplement provides information about Richard Roeder that supplements the Vance Street Capital Brochure. You should have received a copy of that Brochure. Please contact Mr. Roeder, Managing Partner, if you did not receive Vance Street Capital's Brochure or if you have any questions about the contents of this supplement.**

**Item 2 - Educational Background and Business Experience**

Mr. Roeder was born in 1948. He holds a J.D. degree from the University of California, Berkeley and an A.B. degree from Amherst College.

Mr. Roeder is a Managing Partner of Vance Street Capital. Prior to the formation of the Firm in 2007, in 1991 Mr. Roeder co-founded and served as a Managing Director of Aurora Capital Group. Aurora is a private equity investment firm. From 1981 to 1991, Mr. Roeder was a Partner in the law firm of Paul Hastings LLP, where from 1987 to 1991 he served as Chairman of the firm's corporate law department.

Among other civic and charitable affiliations, Mr. Roeder is a member of the Board of Directors of The Music Center of Los Angeles County, a director of the Petersen Automotive Museum, a director of Cambridge in America and a director of the Berkeley Center on Law and Business, a joint program of the law and business schools of the University of California, Berkeley.

**Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

#### **Item 4 - Other Business Activities**

Mr. Roeder is a member of the Advisory Council of Lexington Partners, a private investment firm. VSM does not perceive this activity to be a conflict of interest with Vance Street Capital's Clients.

#### **Item 5 - Additional Compensation**

Mr. Roeder does not receive any compensation for other investment related activities other than having his travel expenses reimbursed as a member of the Advisory Council of Lexington Partners.

#### **Item 6 - Supervision**

As a Managing Partner and Chief Compliance Officer of the Firm, Mr. Roeder supervises all activities of the Firm. He has extensive contact with investors in the Funds and at least annual contact with the members of the Advisory Committee of the Funds.

Brian Martin

Vance Street Capital

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March 2019

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**Item 2 - Educational Background and Business Experience**

Mr. Martin was born in 1977. He received a B.S. degree in Business Administration from the Haas School of Business at the University of California, Berkeley.

Mr. Martin is a Managing Partner of Vance Street Capital. He joined Vance Street Capital in 2010. Prior to that, he was a Vice President at American Capital, Ltd., a middle market private equity fund, where he worked for eight years. He started his career as an investment banking analyst at Robertson Stephens from 1999 to 2001 in its San Francisco office.

**Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

**Item 4 - Other Business Activities**

Mr. Martin is not engaged in any other investment related business or occupation.

**Item 5 - Additional Compensation**

Mr. Martin does not receive any other compensation for other investment related activities.

## Item 6 - Supervision

Mr. Martin is a Managing Partner of Vance Street Capital. As such, he has extensive contact with investors in the Funds and at least annual contact with the members of the Advisory Committee of the Funds. Mr. Martin is required to comply with the VSM's Compliance Manual, Code of Ethics, and other policies and procedures. VSM's Chief Compliance Officer, Richard Roeder, monitors Mr. Martin's investment advisory activities for compliance with VSM's policies and procedures. Mr. Roeder's contact information is on the cover page of the Brochure.

Michael Janish  
Vance Street Capital

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March 2019

**This Brochure Supplement provides information about Michael Janish that supplements the Vance Street Capital Brochure. You should have received a copy of that Brochure. Please contact Richard Roeder, Managing Partner, if you did not receive Vance Street Capital's Brochure or if you have any questions about the contents of this supplement.**

**Item 2 - Educational Background and Business Experience**

Mr. Janish was born in 1969. He received a B.S. degree in Mechanical Engineering and a Masters in Business Administration from Michigan State University, Lansing Michigan.

Mr. Janish is a Managing Partner of Vance Street Capital. He joined Vance Street Capital in January 2016. Prior to that, he was the CEO of two middle-market companies and a Board member of three other companies owned by American Capital Ltd., a middle market private equity fund, where he worked for nine years. He started his career as an automotive development engineer for General Motors Corporation.

**Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

**Item 4 - Other Business Activities**

Mr. Janish is not engaged in any other investment related business or occupation.

**Item 5 - Additional Compensation**

Mr. Janish does not receive any other compensation for other investment related activities.



## Item 6 - Supervision

Mr. Janish is a Managing Partner of Vance Street Capital. As such, he has extensive contact with investors in the Fund. Mr. Janish is required to comply with the VSM's Compliance Manual, Code of Ethics, and other policies and procedures. VSM's Chief Compliance Officer, Richard Roeder, monitors Mr. Janish's investment advisory activities for compliance with VSM's policies and procedures. Mr. Roeder's contact information is on the cover page of the Brochure.

John LeRosen  
Vance Street Capital

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March 2019

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**Item 2 - Educational Background and Business Experience**

Mr. LeRosen was born in 1976. He received a B.B.A degree in Accounting with a Minor in Finance from James Madison University, Harrisonburg Virginia.

Mr. LeRosen is a Partner of Vance Street Capital. He joined Vance Street Capital in January 2015. Prior to that, he was the CFO of a middle-market company and a Board member of three other companies owned by American Capital Ltd., a middle market private equity fund, where he worked for eight years. He started his career as a Certified Public Accountant for KPMG.

**Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

**Item 4 - Other Business Activities**

Mr. LeRosen is not engaged in any other investment related business or occupation.

**Item 5 - Additional Compensation**

Mr. LeRosen does not receive any other compensation for other investment related activities.

## Item 6 - Supervision

As a Partner of the Firm, Mr. LeRosen has extensive contact with investors in the Fund. Mr. LeRosen is required to comply with the VSM's Compliance Manual, Code of Ethics, and other policies and procedures. VSM's Chief Compliance Officer, Richard Roeder, monitors Mr. LeRosen's investment advisory activities for compliance with VSM's policies and procedures. Mr. Roeder's contact information is on the cover page of the Brochure.