

## **PART 2A OF FORM ADV: FIRM BROCHURE**

### **Huntington Management, LLC**

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This brochure (“Brochure”) provides information about the qualifications and business practices of Huntington Management, LLC (“Huntington”). If you have any questions about the contents of this Brochure, please contact us at 312-855-4466 or via email, to Samuel Ellis, Jr., at [samuel@huntingtonmgmt.com](mailto:samuel@huntingtonmgmt.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Huntington is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). SEC registration does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Item 2 discusses only specific material changes made to this brochure since our last annual update on March 23, 2018. Item 4 has been updated to reflect the client assets managed as of December 31, 2018. Other than with respect to Item 4, there have been no material changes to this Brochure since the March 23, 2018 version.

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## Item 4 – Advisory Business

Huntington is an Illinois limited liability company founded in 2007. Huntington provides discretionary investment services to Huntington Partners, LLLP (the “Partnership”), which is a privately-offered pooled investment vehicle that was formed in 1986. Huntington is the Partnership’s investment manager and general partner (the “General Partner”). To date, the Partnership is Huntington’s only advisory client.

Although Huntington is primarily owned by Samuel H. Ellis, Sr., the other Member Managers, Blaine E. Rieke, Samuel H. Ellis, Jr., Damon C. McLaughlin, and James R. Ellis are also considered control persons.

Huntington is guided by a value-driven investment philosophy. We provide investment management services to the Partnership with a primary focus on taking long positions in publicly traded equity securities in both U.S. and non-U.S. markets. However, to the extent consistent with our value-driven investment philosophy, Huntington may, from time to time, invest in other securities such as options, swaps, fixed income instruments and convertible bonds. Furthermore, Huntington will also employ certain hedges in our strategy. This will principally entail hedging our foreign currency holdings with forward contracts. Additionally, Huntington will occasionally hedge our total equity exposure with options or short-positions against major market indices such as the Standard & Poor’s 500 index.

Huntington neither tailors its advisory services to the individual needs of investors in the Partnership (“Investors” or “Limited Partners”), nor accepts Investor-imposed investment restrictions.

As of December 31, 2018 Huntington managed \$90,555,097 of assets on a discretionary basis. Huntington does not currently manage any assets on a non-discretionary basis.

## Item 5 – Fees and Compensation

Huntington receives an annual fee equal to *the greater of* (i) one percent (1%) of assets (referred to herein as the “General Partner Fee”) *or* (ii) twenty percent (20%) of annual profits (referred to herein as the “Profit Allocation”), with such fees subject to a high-water mark. These fees are not negotiable.

**Investors should refer to the Partnership’s Confidential Private Offering Memorandum and its limited partnership agreement for more detailed information regarding how Huntington is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.**

Huntington deducts fees from the assets of the Partnership on an annual basis. Investors do not have the ability to choose to be billed directly for fees.

The Partnership generally bears its own expenses, including (i) costs and expenses directly related to the purchase or sale or safekeeping of securities by the Partnership (including brokerage fees and commissions, transfer taxes, costs relating to the registration or qualification for sale of such securities and trust or custodial fees), (ii) any federal, state, local or other taxes of the Partnership, (iii) fees of auditors and counsel for the Partnership and fees of consultants and other professionals rendering services to the Partnership, (iv) interest expense, and (v) costs and expenses incurred in connection with the preparation and distribution of reports and other information to Partners.

**Brokerage and Other Transaction Costs:** The Partnership is responsible for brokerage and other transaction costs. Please refer to Item 12 for further information on Huntington’s brokerage practices.

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

As described in Item 5 above, Huntington may receive performance-based compensation from the Partnership, which is currently its only advisory client.

The existence of performance-based compensation may create an incentive for Huntington to cause the Partnership to make investments that are riskier or more speculative than would be the case if this performance-based allocation was not made. In addition, since the performance-based compensation is calculated on a basis that includes unrealized appreciation of assets, such compensation may be greater than if it were based solely on realized gains.

## **Item 7 – Types of Clients**

As described in Item 4 above, Huntington provides investment advisory services to one client – a privately-offered pooled investment fund, the Partnership.

The underlying Investors in the Partnership, while not considered clients of Huntington under the Advisers Act, must meet certain eligibility provisions: Interests in the Partnership are generally offered only to Investors who are (i) “accredited investors” within the meaning of Regulation D of the Securities Act of 1933, as amended and (ii) “qualified clients” within the meaning of Rule 205-3 of the Advisers Act.

Investments in the Partnership are subject to an initial minimum investment of \$1,000,000 per Investor, subject to the discretion of the General Partner to accept lesser amounts.

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

Driven by a value-oriented investment philosophy, Huntington maintains a disciplined security selection process that focuses on investing in businesses selling at substantial discounts to their intrinsic value. With independent research focusing on the qualitative and quantitative fundamentals of a business, Huntington strives to invest in public equities with significant profit potential within a long-term investment framework. We scour the globe in search of businesses we can understand, with favorable long-term economics, and that sell for substantial discounts to our assessment of their worth. Our idea generation initiates almost exclusively from screening global financial databases to find companies that meet our internally generated metrics. We then spend a considerable amount of time and effort in order to understand the underlying business economics, the associated industry dynamics, and management’s prudence in allocating cash flow to maximize shareholder returns. This due diligence process allows us to estimate what we think a business is truly worth, while also making certain there is a wide margin of safety in our valuation.

**Investing in securities involves risk of loss that clients should be prepared to bear and there can be no assurance that Huntington will achieve its investment objective.**

### **RISK FACTORS**

The following is not intended to describe all possible risks associated with an investment in the Partnership

***Dependence on Huntington and its Key Personnel.*** Huntington has responsibility for the Partnership’s investment decisions. The success of the Partnership is dependent upon the ability of the

Huntington to develop and implement successfully the Partnership's investment program. Investors in the Partnership will not have an opportunity to participate in the management of the Partnership or the opportunity to evaluate the specific investments made by the Partnership or the terms of any such investment. If Huntington or one or more members of Huntington should cease to participate in the Partnership, its ability to select attractive investments and manage its portfolio could be impaired. In the event that a member of Huntington dissociates from Huntington, dies or otherwise become unable to participate in the management of the Partnership, Limited Partners would generally have no special withdrawal rights. If one or more members of Huntington are no longer able to participate in the management of the Partnership, at the end of any given fiscal year, it is possible that a significant number of Limited Partners would exercise their right to withdraw. There can be no assurance that the portfolio could be liquidated in an efficient manner to accommodate such withdrawals, and Limited Partners could experience losses. In addition, there can be no assurance that enough Limited Partners would choose to remain invested in the Partnership to make it feasible to continue to manage the portfolio.

***Availability of Investment Strategies.*** The success of the Partnership's investment activities will depend on Huntington's ability to exploit opportunities in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Partnership involves a substantial degree of uncertainty. No assurance can be given that Huntington will be able to locate suitable investment opportunities in which to deploy all of the Partnership's assets or to exploit opportunities in the markets.

***Investment Risks.*** An investment in the Partnership involves a high degree of risk, including the risk that the entire amount invested may be lost. The Partnership will invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that the Partnership's program will be successful. In addition, securities that Huntington believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame Huntington anticipates. As a result, the Partnership may lose all or substantially all of its investment in any particular instance.

***Equity Securities.*** The Partnership invests in equity securities of any market capitalization (e.g., small, mid or large), including common and preferred stocks and warrants and equivalents (including convertible securities), of U.S. and non-U.S. issuers. Investment in equity securities offers the potential for substantial capital appreciation. As a result of the Partnership's investments in equity securities, the Partnership will be exposed to the risks typically associated with equity investing. These risks include the general risk of broad market declines and specific risks relating to an issuer, such as management performance, financial leverage, financial position, industry problems and reduced demand for the issuer's goods or services.

***Depository Receipts.*** The Partnership may invest in American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), European Depositary Receipts (EDRs) or other similar securities representing ownership of foreign securities (collectively, "*Depository Receipts*") if issues of these Depository Receipts are available that are consistent with the Partnership's investment objective. Depository Receipts generally evidence an ownership interest in a corresponding foreign security on deposit with a financial institution. Transactions in Depository Receipts usually do not settle in the same currency in which the underlying securities are denominated or traded.

***Small Cap Securities.*** At any given time, the Partnership may have significant investments in smaller- to medium-sized companies of a less seasoned nature whose securities are traded in the over-the-counter market. These “secondary” securities often involve significantly greater risks than the securities of larger, better-known companies.

***Options.*** Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor’s asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

***Leverage.*** While the use of certain forms of leverage including margin borrowing, reverse repurchase agreements, structured products or derivative instruments can substantially improve the return on invested capital, such use may also increase the adverse impact to which the portfolio of the Partnership may be subject.

Borrowings will usually be from securities brokers and dealers and will typically be secured by the Partnership’s securities and other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the Partnership’s obligations and if the Partnership were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Partnership’s obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the Partnership’s borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Partnership’s profitability.

***General Risks of Non-U.S. Investments.*** The Partnership may invest in securities of non-U.S. companies, which may be denominated in U.S. or non-U.S. currencies, and uses forward non-U.S. currency exchange contracts, which involve unusual risks not typically associated with investing in U.S. companies. These risks include, but are not limited to, less public information available regarding non-U.S. issuers, limited liquidity of non-U.S. securities and political risks associated with the countries in which non-U.S. securities are traded and the countries where non-U.S. issuers are located. Individual non-U.S. economies may differ unfavorably from the U.S. economy in growth of gross national product, rate of inflation, rate of savings and capital reinvestment, resource self-sufficiency and balance of payments positions, and in other respects. The Partnership may invest in securities of non-U.S. governments (or agencies or subdivisions thereof), and some or all of the foregoing considerations may apply to such investments as well.

***Currency Risks.*** The Partnership’s 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 and capital appreciation and political developments.

***Emerging Markets.*** Investing in emerging market debt or equity involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory

taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on the Partnership's ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in emerging markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of Partnership portfolio securities and cash with non-U.S. sub-custodians and securities depositories.

***Non-U.S. Securities Regulation.*** The securities of non-U.S. issuers held by the Partnership generally may not be registered under, nor are the issuers thereof subject to the reporting requirements of, U.S. securities laws and regulations. Accordingly, there may be less publicly available information about these securities and about the non-U.S. company or government issuing them or the board of trade clearing them than is available about a U.S. company, government entity or board of trade. Non-U.S. companies and boards of trade generally are not subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Further, government supervision of stock exchanges, boards of trade, securities brokers and issuers of securities is generally less stringent than supervision in the U.S. The investments also may be subject to withholding taxes imposed by the applicable country's taxing authority.

***Regulatory Risks Relating to Investment Strategy.*** Legal, tax and regulatory changes could occur during the term of the Partnership that may adversely affect the Partnership. New laws or revised regulations may be imposed by the U.S. Securities and Exchange Commission (the "SEC"), the U.S. Federal Reserve or other banking regulators, other governmental regulatory authorities or self-regulatory organizations that supervise the financial markets that could adversely affect the Partnership in the future. The Partnership may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of the investments held by the Partnership and the ability of the Partnership to execute its investment strategy. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Partnership could be substantial and adverse.

The generality of the foregoing is particularly relevant to the variety of regulatory initiatives that are being, or are likely to be, proposed to address the recent dislocation in the credit markets. It is to be expected that proposals for regulation will be systemic, and touch on investment and trading processes and techniques, both in the near term and for the long term. For example, temporary regulations initiated by regulators in various jurisdictions restricting short selling of certain publicly traded securities or requiring reporting of short sale activity may evolve into permanent regulations limiting this or similar



techniques. Similarly, credit default swaps are attracting the attention of state, federal and foreign governments and their respective regulators and are expected to be subject to some form of regulation in the near future. Such regulations could impair the ability of the Partnership to realize its investment objectives in the manner contemplated.

***Concentration of Investments.*** The Partnership is not limited in the amount of capital that may be committed to any one investment and the Partnership does not have fixed guidelines for strategy, industry or market diversification. The Partnership's investments could potentially be concentrated in relatively few strategies, issuers, industries or markets. Such non-diversification would make the Partnership more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be. The Partnership could be subject to significant losses if it holds a relatively large position in a single strategy, issuer, industry, market, geographic region or a particular type of investment that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances.

***Market Risk.*** The profitability of a significant portion of the Partnership's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. The price of instruments in which the Partnership may invest may be affected by factors affecting securities markets generally, such as real or perceived adverse economic conditions, supply and demand for particular instruments, changes in the general outlook for corporate earnings, interest rates or adverse investor sentiment generally. There can be no assurance that Huntington will be able to predict accurately these price movements. Although Huntington may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some, and occasionally a significant degree of market risk. Failure of a marketplace to function properly for any reason, including outside events impacting the marketplace or market participants, may adversely affect the Partnership.

***Market Crisis and Governmental Intervention.*** Periods during which global financial markets undergo pervasive and fundamental disruptions may result in extensive governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on Huntington's ability to fulfill the Partnership's investment objective. Increased regulation of the global financial markets could be materially detrimental to the performance of the Partnership's portfolio. The value of the Partnership's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

***Counterparty and Settlement Risk.*** To the extent the Partnership invests in non-U.S. securities, swaps, repurchase agreements, reverse-repurchase agreements, structured products, derivative or synthetic

instruments, or other over-the-counter transactions, in certain circumstances, the Partnership may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Partnership, and hence the Partnership should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing the Partnership's rights to its assets in the case of an insolvency of any such party.

***Institutional Risk.*** Institutions, such as brokers and dealers, will have custody of the assets of the Partnership. These firms may encounter financial difficulties that impair the operating capabilities or the capital position of the Partnership. Huntington will attempt to limit the Partnership's transactions to established institutions that Huntington believes to be well-capitalized in an effort to mitigate such risks.

***Systems Risks.*** The Partnership relies on computer programs and systems (and may rely on new systems and technologies in the future) for various purposes including, without limitation, to evaluate certain securities, to monitor its portfolio and net capital, to maintain records and to generate reports that are critical to the oversight of the Partnership's activities. In addition, certain of the Partnership's operations may be dependent on systems operated by third parties and the Partnership may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on the Partnership. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades and cause inaccurate reports, which may affect the Partnership's ability to monitor its investment portfolio and its risks.

***Limited Right of Withdrawal and Transfer.*** A Limited Partner, on at least 60 days written notice, generally will be permitted to withdraw his capital from the Partnership as of the end of each fiscal year. Transfers of limited partnership interests will be permitted only with the written consent of Huntington. Accordingly, an investment in the Partnership is a relatively illiquid investment and involves a high degree of risk. Furthermore, if a substantial number of Limited Partners were to withdraw from the Partnership and the Partnership did not have a significant amount of cash or liquid securities, there is a possibility that the Partnership would have to meet such withdrawals through distribution of illiquid securities. In light of the foregoing, a subscription for limited partnership interests should be considered only by persons who are financially able to maintain their investment for an extended period of time and who can accept a loss of all of their investment.

***Conflicts of Interest.*** While Huntington typically will value the Partnership's portfolio based on pricing information from independent sources such as brokers, Huntington is ultimately responsible for valuing the Partnership's portfolio. Because Huntington is allocated a percentage of the Partnership's net asset value increase (which includes unrealized gains on the Partnership's securities), Huntington's authority regarding valuation may present a potential conflict of interest.

## **Item 9 – Disciplinary Information**

**There are no disciplinary items to report.**

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

Huntington serves as the investment manager and General Partner to the Partnership. Huntington, its principals and employees also invest directly in the Partnership. Investments in the Partnership made by such parties generally are not subject to the General Partner Fee or Profit Allocation described in Item 5 above.

Huntington and its affiliates may have conflicts of interest in allocating their time, services and functions among the Partnership and other business ventures including investing for their personal accounts. In an effort to minimize potential conflicts of interest, Huntington has adopted a Code of Ethics that sets forth a fiduciary standard that requires Huntington's Access Persons to act in the best interests of the Partnership and to place the interests of the Partnership ahead of and above their personal interests and those of Huntington. Access Persons are required to acknowledge receipt of the Code and agree to abide by its terms.

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

### Code of Ethics

Huntington has adopted a Code of Ethics (the "Code") which is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to Huntington's Access Persons and sets forth a standard of business conduct that takes into account Huntington's status as a fiduciary and requires Access Persons to place the interests of the Advisory Clients above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Huntington's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code and agree to abide by its terms on at least an annual basis.

As required by Rule 204A-1 of the Advisers Act, Huntington's Access Persons must provide Huntington's Chief Compliance Officer with a list of their personal accounts and an initial holdings report upon becoming an Access Person. Huntington also requires its Access Persons to report their securities transactions on a quarterly basis thereafter and disclose their securities holdings on an annual basis. Huntington restricts the personal trading of its Access Persons. Huntington maintains a Restricted List of issuers of the securities of which Access Persons are generally prohibited from trading. The Restricted List includes the names of any issuers for which Huntington has come into contact with material non-public information.

The Code of Ethics also includes insider trading policies and procedures that are designed to prevent the improper use of material, non-public information. Such insider trading policies and procedures prohibit Huntington and its personnel from trading for Advisory Clients or themselves, or recommend trading, in securities of a company while in possession of material, non-public information about the company, and from disclosing such information to any person not entitled to receive it.

Huntington will provide a copy of our code of ethics to any client or qualified prospective client upon request. To obtain a copy of Huntington's Code of Ethics, please contact us at 312-855-4466 or via email, to Samuel Ellis, Jr., at [samuel@huntingtonmgmt.com](mailto:samuel@huntingtonmgmt.com).

### Interest in Huntington Partners, LLLP

As explained above, Huntington serves as the investment manager and General Partner to the Partnership. Huntington has a financial ownership interest in the Partnership and, in some cases, receives performance-based compensation for their services. Huntington and its members, or entities that a member has a beneficial interest in, may invest directly in the Partnership, which investments generally are not subject to asset-based fees or performance-based compensation. Investments by such persons are subject to the same liquidity terms as all other Investors.

The fact that Huntington and its members, or entities that a member has a beneficial interest in, have a financial ownership interest in the Partnership creates a potential conflict in that it could cause Huntington to make different investment decisions than if such parties did not have such a financial ownership interest. The potential for performance-based compensation may create an incentive for Huntington to make investment decisions that may differ from decisions that may be made in the absence of such performance-based compensation, including decisions that are riskier or less risky than would be made in the absence of such performance-based compensation. Huntington manages this potential conflict through regular monitoring of the Partnership's portfolio to ensure consistency with the Partnership's investment objectives, strategies, target capacity, and disclosures, as more fully set forth in Item 13, below. Huntington also subjects its principals and employees who invest in the Partnership to the same liquidity as other Investors. Further, Huntington carefully considers the risks involved in any investments and Huntington provides extensive disclosure to Investors and potential Investors regarding the potential risks that come with an investment with Huntington. The Code of Ethics requires Access Persons to place the interests of Advisory Clients and Investors over their own or those of Huntington, and all Access Persons are required to acknowledge their receipt and understanding of the Code of Ethics.

### Participation or Interest in Client Transactions

Access Persons of Huntington may buy, sell or otherwise invest in securities that Huntington also recommends to Advisory Clients. Huntington seeks to monitor the potential conflicts of interests within the firm as it relates to Access Person personal trading (including investments in the Partnership). Huntington requires each of its Access Persons to pre-clear transactions in reportable securities, subject to waiver by the Chief Compliance Officer in his sole discretion. In reviewing preclearance requests, the Chief Compliance Officer, or his designee, considers all the facts and circumstances related to the contemplated trade including when the security was last traded by the Advisory Clients. Such pre-clearance requests are approved by the Chief Compliance Officer, or his designee, only after careful consideration of any conflicts of interests and only if made in a manner consistent with the pre-clearance guidelines set forth in the Code.

This presents a potential conflict in that employees could use information obtained through their work at Huntington or could take for themselves an opportunity available to the Advisory Clients. Huntington addresses this conflict through pre-clearance requirements, review of Access Person holdings reports, and use of a restricted list.

As previously noted in Item 11 above, Huntington and its members, or entities that a member has a beneficial interest in, may invest directly in the Partnership, which investments may not be subject to the asset-based fees or performance-based compensation described herein.

Huntington's Code of Ethics also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. Huntington's personnel are required to certify their compliance with the Code of Ethics.

## **Item 12 – Brokerage Practices**

Huntington is responsible for the placement of the Partnership's securities transactions, the negotiation of the commissions to be paid on brokered transactions, the prices for principal trades in securities, and the allocation of portfolio brokerage. It is the policy of Huntington to seek the best execution under the circumstances, which may take account of the overall quality of brokerage and research services provided to the respective advisor and its advisees. Purchases may be made from underwriters, dealers, and, on occasion, the issuers. The purchase price of portfolio securities purchased from an underwriter or dealer may include underwriting commissions and dealer spreads. The Partnership may pay mark ups on principal transactions. In selecting broker dealers and in negotiating commissions, Huntington may consider, among other things, the firm's reliability, the quality of its execution services on a continuing basis and its financial condition.

Section 28(e) of the Securities Exchange Act of 1934 permits an investment adviser, under certain circumstances, to cause an account to pay a broker or dealer who supplies brokerage and research services a commission for effecting a transaction in excess of the amount of commission another broker or dealer would have charged for effecting the transaction ("soft dollars"). Brokerage and research services include (a) furnishing advice as to the value of securities, the advisability of investing, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (b) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (c) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody).

In light of the above, in selecting brokers, Huntington may consider investment and market information and other research, such as economic, securities and performance measurement research, provided by such brokers, and the quality and reliability of brokerage services, including execution capability, performance, and financial responsibility. Accordingly, the commissions charged by any such broker may be greater than the amount another firm might charge if Huntington determines in good faith that the amount of such commissions is reasonable in relation to the value of the research information and brokerage services provided by such broker to Huntington or the Partnership. Huntington believes that the research information received in this manner provides the Partnership with benefits by supplementing the research otherwise available to the Partnership. It is the policy of Huntington to only utilize soft dollars to the extent they are consistent with the Section 28(e) safe harbor described above.

Research services furnished by firms through which the Partnership effects its securities transactions may be used by Huntington and its affiliates in servicing all of its accounts; not all of such services may be used by Huntington and its affiliates in connection with the Partnership. Huntington believes it is not possible to measure separately the benefits from research services to each of the accounts (including the Partnership) managed by it. Because the volume and nature of the trading activities of the accounts are not uniform, the amount of commissions in excess of those charged by another broker paid by each account for brokerage and research services will vary. However, Huntington believes such costs to the Partnership will not be disproportionate to the benefits received by the Partnership on a continuing basis.

## **Item 13 – Review of Accounts**

The Partnership's portfolio is under continuous review by the five Member Managers of Huntington – Samuel Ellis, Blaine Rieke, Samuel Ellis, Jr., James Ellis, and Damon McLaughlin. At a minimum, Huntington's Member Managers meet weekly to discuss the portfolio and any material changes or updates to the individual positions with regard to our overall investment policy and objectives. The Member

Managers are also in constant contact with each other on a daily basis with regard to any material changes in any portfolio position. Every portfolio decision must be unanimous among the five Member Managers.

Generally, Investors receive unaudited performance reports quarterly, an annual performance letter with investment commentary shortly after the end of the calendar year, and audited financial statements after the end of the fiscal year.

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

Huntington does not utilize any broker-dealers and/or third parties to solicit client referrals.

## **Item 15 – Custody**

Huntington is deemed to have custody of the assets of the Partnership by virtue of its status as the Partnership's General Partner. Neither Huntington nor its affiliates take physical custody of any client assets. Huntington maintains the assets of the Partnership with a qualified custodian pursuant to Rule 206(4)-2 under the Advisers Act. Huntington has established bank accounts and custodial arrangements for the Partnership's securities with The Northern Trust Company, a U.S.-registered broker-dealer.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Huntington ensures all Investors in the Partnership receive audited financial statements for the Partnership, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Partnership's December 31 fiscal year. Investors should carefully review the audited financial statements of the Partnership.

## **Item 16 – Investment Discretion**

As specifically set forth in the Partnership's Limited Partnership Agreement, the management of the Partnership and its investment management of its assets is vested exclusively in the discretion of General Partner.

As explained in Item 8 above, the Partnership's investment strategy is set forth in detail in the Partnership's offering memorandum. Investors do not have the ability to impose limitations on Huntington's discretionary authority. Prospective Investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all other relevant offering materials, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors should also consult with their legal, tax, or other advisors prior to making any investment. Prospective Investors must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a high risk investment pool. Further, the subscription agreement grants the General Partner power of attorney to execute and deliver the Partnership Agreement and any amendment thereto on behalf of subscribing investor.

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

Huntington has the authority to vote proxies on behalf of the Partnership. Investors do not have the ability to direct a particular solicitation.

In accordance with its fiduciary duty to the Partnership and Rule 206(4)-6 of the Advisers Act, Huntington has adopted Proxy Voting Policies and Procedures ("Procedures") that are designed to ensure that when it votes proxies for Partnership securities, Huntington votes in the best interests of the Partnership. The Procedures require that Huntington identify and address conflicts of interest between Huntington and the Partnership. If a material conflict of interest exists, Huntington will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the Partnership or whether taking some other action may be more appropriate.

Huntington generally votes in favor of routine corporate housekeeping proposals, such as electing directors and selection of auditors. For all other proposals, Huntington will determine whether a proposal is in the best interests of the Partnership and may take into account the following factors, among others: (i) whether the proposal was recommended by management and Huntington's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

Limited partners may obtain a copy of the Huntington's Procedures as well as information about how Huntington voted proxies by contacting Samuel Ellis, Jr., by telephone at 312-855-4466 or via email at [samuel@huntingtonmgmt.com](mailto:samuel@huntingtonmgmt.com).

## **Item 18 – Financial Information**

**Not Applicable**