

## Bostwick Capital, LLC

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This brochure provides information about the qualifications and business practices of Bostwick Capital, LLC. If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer (“**CCO**”), Will Bunn at 212-776-1032 or [wbunn@bostwickcap.com](mailto:wbunn@bostwickcap.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.

Bostwick Capital, LLC’s registration as an investment adviser does not imply that any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about the Investment Manager is also available on the SEC’s website at <https://www.adviserinfo.sec.gov/>.

## **Item 2 - Material Changes**

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There have been no material changes to this brochure since the Adviser's previous filing in March 2018.

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## Item 4 - Advisory Business

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Bostwick Capital, LLC (“**Bostwick**,” the “**Firm**,” or “**we**,” or “**our**”), a Delaware limited liability company, commenced operations in 2006. Bostwick offers investment advisory services to Bostwick Compound LP, a Delaware limited partnership (the “**Onshore Fund**”) and Bostwick Compound Offshore Ltd., an exempted Cayman Islands company (the “**Offshore Fund**”). The Onshore Fund and the Offshore Fund are each referred to as a “**Fund**” or a “**Client**” and together the “**Funds**” or the “**Clients**”).

The Funds are structured as a mini master-feeder whereby the Offshore Fund invests substantially all of its assets into the Onshore Fund. The Onshore Fund makes direct investments in unaffiliated underlying fund managers. The general partner of the Onshore Fund is Bostwick GP, LLC, a Delaware limited liability company (the “**General Partner**”). Thomas Bostwick is the principal owner and managing member of both Bostwick and the General Partner.

The Funds operate as pooled investment vehicles intended to provide diversification, management expertise and other advantages to those who invest in them (each, an “**Investor**”). The Funds are managed in accordance with the investment objectives described in their respective offering documents and are not tailored to any particular Investor. Information about each Fund can be found in its offering documents, including its Confidential Private Offering Memorandum or Confidential Explanatory Memorandum, as applicable (each, a “**Memorandum**”).

As of December 31, 2018, Bostwick had total assets under management in the Funds of US \$260,716,585.

## Item 5 - Fees and Compensation

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Bostwick receives compensation consisting of (1) an annual fixed fee (the “**Management Fee**”); and (2) an annual performance-based allocation (the “**Incentive Allocation**”) which is calculated based upon a percentage of the net capital appreciation of the Funds at the end of each fiscal year subject to a high-water mark.

Bostwick’s current fee schedule is generally as follows:

### Class AA Shares:

Management Fee:	1.0% annually (0. 25% quarterly)
Incentive Allocation:	7.5% as described below

### Class A Shares:

Management Fee:	1.5% annually (0. 375% quarterly)
Incentive Allocation:	0%

The Management Fee is paid to Bostwick quarterly in advance, based on the value of each Investor’s account value as of the beginning of each quarter. The Management Fee is prorated for any period that is less than a full quarter and is adjusted for contributions and withdrawals made during the quarter. We, in our sole discretion, may waive or reduce the Management Fee to be paid by any Investor.

## Fees to Portfolio Managers of Underlying Funds

The Funds are generally subject to fees charged by the underlying portfolio funds and managers. These fees typically include a management fee, which generally ranges from 1% - 2% on an annual basis, and in

most cases a performance-based compensation arrangement, which generally ranges from 15% - 20% of the capital appreciation in the underlying portfolio fund.

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**Item 6 – Performance-Based Fees and Side-by-Side Management**

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The General Partner is entitled to receive a performance-based compensation in the form of an Incentive Allocation, generally equal to 7.5% of the net profits attributable to each Investor's capital account in Share Class AA, if any, subject to a loss carryforward provision. We may waive or reduce the Incentive Allocation to be paid by any Investor.

Because all assets are invested from the Onshore Fund, there currently are no side-by-side conflict of interest issues, such as allocation decisions which may be impacted by performance-based compensation differentials.

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**Item 7 - Types of Clients**

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Our clients are the Funds. Each Fund's Memorandum and subscription agreement provide the eligibility criteria and minimum investment requirements.

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

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The Funds primarily invest in research-driven (fundamentally driven) long-short equity funds. We are responsible for sourcing ideas, research, due diligence and portfolio management. We have a rigorous research and due diligence process to support investment allocations to external funds. We use both quantitative and qualitative methods to analyze the underlying managers.

Our quantitative analysis usually begins with, but is not limited to, a thorough review of a portfolio manager's track record. Next, we conduct qualitative analysis through a variety of sources including, but not limited to, references, background searches, regulatory reports, communications, audit reports and governing documents. The due diligence process is continuous and includes regular calls and onsite meetings with underlying managers. We request that managers with whom our Funds invest contact us promptly if there are any substantial changes to the manager's fund or organization.

The investment strategy that we employ on behalf of the Funds involves significant risks which can result in loss of capital. The following summary of certain risks does not purport to be complete, but includes some of the potential risks generally associated with Bostwick's investment strategy.

*Risks Involved in Private Investment Funds*

Private investment funds generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in each Fund's offering documents, which will be provided to each prospective investor for review and consideration prior to investing. We strongly advise prospective investors to engage legal and tax counsel to review Fund offering documents prior to investing in any private investment fund. Investing in private investment funds is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Carefully review and consider potential risks before investing. Some of these risks include loss of all or a substantial portion of the investment due to leveraging or other speculative practices. Additionally, Investors may experience volatility of returns, a potential lack of diversification, higher fees than mutual funds, and lack of information regarding valuations and pricing. Each prospective investor will be required to complete a subscription agreement for the Fund itself, pursuant to which the prospective investor shall establish that

he/she is qualified for investment in the Fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

#### *Dependence on Bostwick*

Bostwick has full, exclusive, and complete authority and discretion in the management and control of the business of the Funds. Investors will have no right or power to take part in the investment management of the Funds. No guarantee or assurance can be given that the Funds will achieve their investment objective of superior, risk-adjusted returns.

#### *Multi-Manager Structure (Fund of Funds)*

Any multi-manager structure is subject to risk of the illiquidity of the underlying portfolio funds in which it invests, lack of control over, or even satisfactory knowledge of, the trading of the portfolio managers, the possibility of misvaluations, entrusting custody of the multi-manager assets to third parties and dependence on the portfolio managers for all relevant net asset value and trading information. In addition, as a strategy, the opportunity costs of the multi-manager approach might not merit its expected risk control benefits, especially in an environment in which the returns on alternative strategies are generally expected to remain depressed for some period of time.

In addition, because Bostwick invests with portfolio managers who make their trading decisions independently, it is theoretically possible that one or more of such portfolio managers may, at any time, take investment positions that are opposite of positions taken by other portfolio managers. It is also possible that the portfolio managers may on occasion be competing with each other for similar positions at the same time. A portfolio manager may take positions for its other clients that are opposite to positions taken for Bostwick's clients.

#### *Market Risks and Lack of Liquidity*

The success of our investment program depends to a great extent upon the ability of the underlying funds' managers to correctly assess the future course of price movements of stocks, bonds and other financial instruments and markets. There can be no assurance that these managers will accurately predict such movements. In addition, it may be the case that certain of the securities in which these managers may invest will have limited liquidity. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect the ability of these managers to execute trade orders at desired prices in rapidly moving markets.

#### *General Economic Conditions*

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities.

#### *Equity Securities*

The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer,

issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

#### *Short Selling Risk*

Bostwick's investment program includes short selling employed by the underlying portfolio managers selected by Bostwick. Short selling transactions expose the underlying portfolio managers to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the underlying portfolio managers in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the underlying portfolio managers might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

#### *Leverage*

Portfolio managers may employ leverage on behalf of the underlying portfolio funds and performance of Bostwick's Funds may be more volatile as a result thereof.

#### *Non-U.S. Securities*

Non-U.S. securities, non-U.S. currencies, and securities issued by U.S. entities with substantial non-U.S. operations can involve additional risks relating to political, economic, or regulatory conditions in non-U.S. countries. These risks include fluctuations in non-U.S. currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some non-U.S. markets. All of these factors can make non-U.S. investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, non-U.S. markets can perform differently from the U.S. market.

#### *Potential Conflicts of Interest*

In addition to advising the Funds, we may engage in investment and trading activities for our own accounts and/or for the accounts of third parties. We are not obligated to devote any specific amount of time to the affairs of the Funds. Investors will not be entitled to inspect those trading records of our employees that are not related to the Funds.

#### *Cybersecurity Risks*

The operations of Bostwick, Bostwick GP LLC, the Funds and the underlying fund managers are dependent on technology and communication systems. A failure of any such system or a security breach or cyber-attack could significantly disrupt Bostwick's operations and those of the Funds. The service providers of Bostwick, Bostwick GP LLC, the Funds and the underlying fund managers are subject to the same cybersecurity threats. If a service provider fails to adopt, implement or adhere to adequate cyber-security measures, or in the event of a breach of its networks, information relating to the Funds, the Funds' operations and personal information relating to limited partners may be lost, damaged or corrupted or improperly accessed, used or disclosed.

Any system failure, security breach or cyber-attack on Bostwick, Bostwick GP LLC, the Funds or the underlying fund managers or any of their service providers, could cause Bostwick, Bostwick GP LLC, the Funds and/or the underlying fund managers to suffer, among other things, financial loss, disruption to its business, including its trading capabilities and the ability of the Funds to transmit payments, including to limited partners or counterparties, increased operating costs, liability to third parties, regulatory intervention and reputational damage and could have a materially adverse effect on the Funds, the limited partner's investments in the Funds and/or cause delays to its ability to value the Funds' portfolio.

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**Item 9 - Disciplinary Information**

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This item is not applicable.

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**Item 10 - Other Financial Industry Activities and Affiliations**

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This item is not applicable.

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

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**Code of Ethics Pursuant to Rule 204A-1 of Advisers Act**

Bostwick has established a Code of Ethics that applies to all of our employees with respect to services provided to the Funds and Investors. As a fiduciary, our responsibility is to provide fair and full disclosure of all material facts and to act solely in the best interest of our Clients at all times. This fiduciary duty is considered the core underlying principle for Bostwick's Code of Ethics, which also includes insider trading and employee investment policies and procedures. We require all of our employees to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all employees will sign an acknowledgement that they have read, understood and agree to comply with our Code of Ethics. We have a responsibility to make sure that the interests of the Funds are placed ahead of the Firm's or our employees' own interests. Bostwick will conduct business in an honest, ethical and fair manner and seek to avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to the Funds.

Our employee investment policy requires employees to obtain preclearance from the CCO prior to executing certain trades or investments (including initial public offerings and private placements) and to provide duplicate copies of brokerage statements to the CCO. These records are used to monitor compliance with Bostwick's policies. Where the activities of the CCO require pre-approval, the approval will be provided by Mr. Bostwick.

This disclosure is provided to give all Investors in the Funds a summary of our Code of Ethics. However, if an Investor or a potential investor wishes to review our Code of Ethics in its entirety, it will be provided upon request.

**Participation or Interest in Client Transactions**

Bostwick and our employees may buy or sell securities and other investments that are also in the Funds. In order to minimize this conflict of interest, Bostwick and our employees place Client interests ahead of their own interests.



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**Item 12 - Brokerage Practices**

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As an adviser to fund of funds, we do not make investments in securities listed on national exchanges. However, there may be situations where we are allocated a listed security and need to place a trade(s) through a broker. In such circumstances, we will seek “best execution” in light of the circumstances involved in transactions. In selecting a broker for any transaction, we may consider a number of factors, including, for example, broker’s reputation, net price or spread, reputation, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. We will not be obligated to obtain the lowest commission or best net price for a Client any particular transaction.

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**Item 13 – Review of Accounts**

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The Fund’s portfolio is reviewed on an ongoing basis by Mr. Bostwick for conformity with the investment objectives and guidelines.

Each Investor receives reports in accordance with the terms of the applicable Fund’s offering documents.

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**Item 14 - Client Referrals and Other Compensation**

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Bostwick maintains agreements with certain third-party placement agents whereby Bostwick pays the placement agents a portion of the management fee it receives with respect to solicited investors.

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**Item 15 – Custody**

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For purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), Bostwick is deemed to have custody over the Funds’ assets. A qualified custodian will not be required to deliver quarterly account statements to the Funds or their respective investors as long as Bostwick delivers annual audited financial statements to investors within 180 days after the end of each Fund’s fiscal year in accordance with the Custody Rule.

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**Item 16 – Investment Discretion**

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Bostwick has discretionary authority to manage the Funds pursuant to the governing documents of the Funds. Bostwick has the authority to determine the underlying funds in which the Funds invest and the size of the investment to be made on behalf of the Funds.

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**Item 17 - Voting Client Securities**

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We do not anticipate owning on behalf of any Fund any equity securities granting us the right to vote proxies. However, Bostwick has established a proxy voting policy in the event that it is required to vote a proxy for certain investments or if we are required to vote on a corporate action regarding a portfolio manager or underlying fund.

Upon request, we will provide an Investor with a copy of our proxy voting policy and procedures and information on how the proxies were voted.

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**Item 18 - Financial Information**

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This item is not applicable.