

Billings Capital Management, LLC

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This Brochure provides information about the qualifications and business practices of Billings Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (410) 801 6830 or via email at asaviolakis@billingscap.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.

Billings Capital Management, LLC ("BCM") is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information that you may use to determine whether to hire or retain them. Additional information about BCM is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Our last filing was December 31, 2018. Since then we have updated our AUM and our address as we moved offices.

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 which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting Andreas Saviolakis at (703) 962-1871.

Additional information about BCM is also available via the SEC's website www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for BCM is 164338. The SEC's web site also provides information about any persons affiliated with BCM who are registered, or are required to be registered, as Investment Adviser Representatives of BCM.

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Item 4 – Advisory Business Introduction

Billings Capital Management, LLC, a Delaware Limited Liability Company, is a registered investment adviser (sometimes referred to as “BCM” “we, “us”, “our,”) which offers investment advisory services to BCM Partners Fund, LP (the “Fund”). BCM Capital Investments, LLC, a Delaware limited liability company. BCM Capital Investments, LLC serves as the General Partner for the Fund. The Fund is a pooled investment vehicle, or more specifically, hedge fund.

The General Partner, BCM Capital Investments, LLC has delegated the authority to manage the assets of the Fund to Billings Capital Management, LLC (the “Manager”). The Manager is responsible for and controls the day-to-day operations of the Fund. Billings Capital Management, LLC offers investment opportunities to the Funds.

BCM provides discretionary investment sub-advisory services to a U.S. Investment Company registered under the Investment Company Act of 1940 (the “Act”). The Investment Company is managed similarly to the Fund.

BCM provides discretionary investment advisory services to a separately managed account (SMAs). The SMA is managed similarly to the Fund.

BCM was founded in 2008 by Eric P. Billings, Thomas P. Billings, Scott P. Billings and Eric F. Billings. Andreas Saviolakis is an executive officer who serves as the Director of Finance and Chief Compliance Officer. As of September 30, 2019, we have \$137,660,158 (to include the personal portfolios of the 4 Managing Partners as) in assets under management in three client accounts. BCM does not offer wrap fee programs.

Services

BCM tailors its investment advice in accordance with the investment objective and strategy of the Fund, as set forth in the offering documents for the Fund. The Adviser does not tailor advisory services to the needs of any particular investor in its client funds.

1. BCM Partners Fund, LP (previously named BCM Weston LP)

The Fund is a Delaware limited partnership concentrated, long/short hedge fund founded on February 14th, 2008. The primary objective of the Fund is to maximize absolute returns, while also generating compounded annual returns that significantly exceed the S&P 500 Index over the long term. Since avoiding permanent capital impairments is absolutely essential to generating long-term outperformance, one of the primary focuses of the Fund is to minimize risk at all times.

The Fund uses a “value-oriented” approach. To us, that means taking positions in securities we deem to be materially mispriced based on a fundamental analysis of the company and its future cash flows. Over time we believe markets to be generally efficient pricing mechanisms, but with significant exceptions on occasions. Our objective is to sift through all available opportunities and find the ones where the following three dynamics are present. First, the opportunity must be in a business and industry we intimately understand. Second, we must be able to reliably forecast the cash flows for many years into the future.

Third, it must be cheap. These circumstances do not occur frequently, and thus we like to take concentrated positions when we find them.

The Fund offers limited partnership interests pursuant to a private placement as provided under Regulation D of the Securities Act of 1933. Interests are offered only to “accredited investors” as that term is defined in Rule 501 of the Securities and Exchange Commission, who are also “qualified purchasers” under the SEC’s Rule 203-5. Each investor is also required to have substantial experience, together with the experience of the investor’s advisers, in evaluating and investing in private placement transactions of securities of companies similar to the Fund; and have carefully evaluated their financial resources and decided that they can bear the economic risks of investment in the Fund.

Purchasers of the interests in the Fund will become limited partners in the Fund and, as such, will not be entitled to participate in the management of the Fund. The limited partnership agreement and the Delaware Revised Uniform Limited Partnership Act, however, provide limited partners with limited voting and other rights.

BCM Partners Fund Offshore, Ltd. (Previously named BCM Weston Offshore, Ltd.)

BCM Partners Fund Offshore, Ltd., a Cayman Islands exempted company has been formed and generally conducts operations through the Partnership as a Feeder Fund. The voting, participating Shares are being offered by the Offshore Fund for the purpose of enabling qualified non-U.S. investors and U.S. tax-exempt investors to participate in the Partnership’s investment program without incurring a direct obligation to file a United States federal income tax return.

2. Sub-Advisory Services

A. Investment Company

BCM also provides discretionary investment sub-advisory services to a U.S. Investment Company registered under the Investment Company Act of 1940 (the “Act”). Currently BCM is the sub-adviser for one Investment Company which is offered through an RIA. BCM tailors its investment advice in accordance with the investment objective and strategy of the Investment Company as outlined in its prospectus, statement of additional information and the sub-advisory agreement. In addition, BCM will comply with reasonable instructions and directions of the Investment Company’s Board of Trustees and RIA as may be appropriate for the Investment Company to be in compliance with the most recent version of Investment Company’s “Declaration of Trust”, By-Laws and any 1940 Act laws and regulations.

BCM does not tailor advisory services to the needs of any Investor in the Investment Company.

3. Separately Managed Accounts (SMAs)

BCM also provides discretionary investment advisory services to SMAs. BCM tailors its investment advice in accordance with the investment objective and strategy of SMAs as outlined in its investment management agreement. In addition, BCM will comply with reasonable instructions and directions of SMAs as may be appropriate for SMAs to be in compliance with its own internal policies.

BCM does not tailor advisory services to the needs of any particular Investor in the SMAs.

Item 5 – Fees and Compensation

1. BCM Partners Fund, LP Fund Management Fees

BCM will receive management fees and reimbursement of expenses incurred as applicable, as detailed in the Private Placement Memorandum of the Fund. Fees are determined and assessed in a manner specific to the Fund. The fees are typically not negotiable. Certain fees may and are currently deferred or waived from time to time at the discretion of the General Partner.

The Fund will bear the direct expenses incurred by the Fund, including legal, accounting, and Fund administration expenses. BCM pays all of its own operating and overhead costs, which include, but are not limited to: office space, supplies and equipment, and operational staff.

Investors incur certain charges imposed by custodians, third party investment companies and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund, money market funds and exchange-traded funds (ETFs) also charge internal management fees. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. BCM does not receive any compensation from these fees other than soft dollars as further described in Item 12, if applicable. All of these fees are in addition to the management fee the Fund pays BCM. Investors should review all fees charged to fully understand the total amount of fees they will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge.

As of the last business day of each calendar month, BCM will receive a Management Fee in arrears from the Fund equal to 0.125% (1.5% per annum) of the Net Asset Value of each limited partner's Capital Account, prior to the Performance Allocation, Management Fee and withdrawals. For investments occurring other than at the beginning of a calendar month, if any, the Management Fee will be prorated. The General Partner may and currently does reduce or waive the Management Fee with respect to any limited partner, without thereby entitling any other limited partner to a waiver or reduction. A portion of such Management Fee may and is also currently paid to placement agents that sell Interests.

BCM Partners Fund Offshore, Ltd.

BCM Partners Fund Offshore, Ltd., (the Offshore Fund) shall not bear Management Fees and Performance Allocation and such fees shall be borne at the Partnership level. The Offshore Fund will bear its allocable portion of the Partnership's operating and overhead expenses and the operating and overhead expenses of any other investment subsidiary or alternative investment vehicle through which the Partnership conducts its operations. Each shareholder shall bear its pro rata portion of any expenses borne by the Offshore Fund with respect to its formation and organization.

Solely for administrative and accounting purposes, the Performance Allocation and withdrawal charges payable in respect of each Feeder Fund shall be calculated as if each Feeder Fund Investor therein had made a direct Capital Contribution to the Partnership.

In accordance with common industry practice, the Adviser may and currently does enter into "side letters" or side agreements with certain investors whereby the Adviser will grant individual Investors

specific rights, benefits, or privileges not set forth in the offering documents. Such investor specific rights, benefits or privileges may not be applicable to all Investors and therefore may not be made available to all Investors generally.

2. Sub-Adviser Fees

A. Investment Company

Pursuant to a sub-advisory agreement the Investment Company will pay BCM an annual management fee of 0.90% of the first \$66 million of the average daily net asset value of the sub-advised assets plus 1.00% over \$66 million of the average daily net asset value of the sub-advised assets. These fees are paid monthly in arrears and will be paid by the 5th business day of each month.

3. Separately Managed Account Fees

A. SMAs

Pursuant to an investment management agreement (the “SMA Agreement”), the current SMA does not pay BCM an annual management fee.

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

1. BCM Partners Fund, LP Fund

The General Partner will be entitled to a performance-based allocation of Net Profits (the “Performance Allocation”) based on the overall performance results achieved for each limited partner’s Capital Account. The Performance Allocation for each such Capital Account is measured on an annual basis on the last day of each calendar year. The Performance Allocation is generally equal to 20% of the Net Profit allocated to each Capital Account during a calendar year (net of all Net Losses and other deductions, except for the Performance Allocation itself) above the applicable High Water Mark and 6% cumulative pro-rata hard hurdle rate (both defined below) established upon establishment of the applicable Capital Account, and reestablished at the beginning of each subsequent calendar year. The Performance Allocation will also be measured upon a limited partner’s complete or partial withdrawal from the Fund before a calendar year end.

Subject to certain limitations, on an annual basis, generally 20% of the net profits in excess of a 6% "hurdle rate" of return allocated to the Limited Partners are reallocated to the General Partner as a “performance allocation. The performance allocation is only charged against the capital account of a specific Limited Partner to the extent that net profits in excess of the hurdle rate exceed a “high water mark”. The initial high water mark for a Limited Partner’s capital account is equal to the capital contribution. If the value of the capital account at the beginning of any calendar year is higher than the previous level of the high-water mark above the hurdle rate, the high-water mark is re-set to the current value of the capital account. If the value of the capital account at the beginning of any calendar year is lower than the previous high water mark and the hurdle rate, the previous high water mark taking into account the hurdle rate remains in effect. This has the effect of requiring any previous losses incurred by a Limited Partner in prior years to be offset by current profits before a performance allocation is made. If an investor withdraws its entire Capital Account as of a date other than the end of a calendar year, a Performance Allocation will be due

based on performance through the withdrawal date. In the case of a partial withdrawal, the Performance Allocation applies at that time only with respect to the portion withdrawn.

If an investor makes multiple capital contributions at different dates, a series of sub-accounts is maintained to measure the Performance Allocation for each tranche of the Capital Account attributable to each separate capital contribution.

The General Partner may and currently, in its sole discretion, waives or reduces the Performance Allocation for any limited partner without the consent of, or obligation to provide notice to, any other limited partner.

2. Sub-Adviser

A. Investment Company

The Investment Company does not pay a performance fee.

3. Separately Managed Accounts

A. SMAS

The SMA shall pay to BCM an incentive fee (the “Incentive Fee”) as outlined in the SMA Agreement. The Incentive Fee is calculated for an initial period commencing on the Effective Date and ending on December 31, 2017 and each one-year period thereafter ending on December 31 of each year or on the date when there are no remaining assets in the Account following termination. The Incentive Fee is 25% over an annualized 6.5% cumulative hard hurdle.

The current SMA and BCM acknowledge that the Incentive Fee creates an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Account. In addition, the Incentive Fee is based on unrealized, as well as realized, appreciation and depreciation of the Securities in the Account. BCM has policies in place to monitor that this behavior does not occur.

Item 7 – Types of Client(s)

We provide discretionary investment advisory services to the Fund, an SMA, and an Investment Company. Investors in the Fund include qualified purchasers. Each investor in the Fund is required to meet certain suitability qualifications, such as being a “qualified purchaser” within the meaning set forth under the federal securities laws. Our minimum account opening balance is \$500,000, at the discretion of the General Partner. Additional capital contributions may be made in increments of not less than \$100,000, at the discretion of the General Partner. Investor requirements for the Investment Company are dictated by their respective Offering Documents. Investor requirements for SMAs are dictated by the SMA Agreement(s)

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

We use similar methods of analysis and investment strategies for managing the funds, SMAs and as the sub- adviser for Investment Company.

1. Methods of Analysis

The Fund is a concentrated, long/short hedge fund. The primary objective of the Fund is to maximize absolute returns, while also generating compounded annual returns that significantly exceed the S&P 500 Index over the long term. Since avoiding permanent capital impairments is absolutely essential to generating long-term outperformance, one of the primary focuses of the Fund is to minimize risk.

Generally speaking, the Fund uses a “value-oriented” or “fundamental” approach. To us, that means taking positions in securities we deem to be materially mispriced based on a fundamental analysis of the company and its future cash flows. Over time we believe markets to be generally efficient pricing mechanisms, but with significant exceptions on occasions. Our objective is to sift through all available opportunities and find the ones where the following three dynamics are present. First, the opportunity must be in a business and industry we intimately understand. Second, we must be able to reliably forecast the cash flows for many years into the future. Third, it must be cheap. These circumstances do not occur frequently, and thus we like to take concentrated positions when we find them. Cheap means a business trading to a significant discount to intrinsic value. That applies on both an absolute and relative basis. In other words, not only must the business be trading at a significant discount to intrinsic value, it must also be trading relatively cheaper to intrinsic value than the market as a whole.

Intrinsic value is defined as the present value of all future cash flows the company will generate during its life. Finding companies at significant discounts to intrinsic value provides us with two advantages. First, it provides for very good returns, but second, and more importantly, it provides a very significant margin of safety to our capital. Margin of safety is defined as the difference between intrinsic value and price, expressed as a percentage of intrinsic value. Demanding high margins of safety is our number one mechanism to protect the Fund against permanent capital impairments. We do not expect to be right on every assumption or even every investment we make, but we do expect our capital to be protected if those mistakes occur.

The Fund has three primary classes of investments that it makes, though we do invest outside those classes on occasion. In all cases our investment decisions are based strictly on company and industry specific fundamental analysis and are not influenced by macroeconomic or short-term trading considerations. We do not focus on “investment catalysts” but rather look for companies that fit the criteria laid out above and wait until those dynamics are recognized by the market. By nature of that approach, our average holding periods tend to span multiple years.

The first class of investments is our long equity investments. These are generally investments in high quality businesses with strong competitive positions and long-term defensible earnings power. While we have no “check the box” approach to our investments, there are characteristics many of our long investments tend to share, such as, high returns on capital, competent management, appropriate capital structures and high fixed cost coverage ratios. The long equity bucket of investments will generally be the largest of our buckets and the one we expect to earn the highest returns in over time.

The second class of investments is our short equity investments. In many ways, these investments reflect the opposite of our long investments. We are looking for very poorly run companies with declining competitive positions, often in industries with significant headwinds. The most important characteristic we need to find in our short investments is a price that represents a significant premium to our assessment of intrinsic value. In addition, we often like to see companies with low returns on capital, high degrees of leverage and high capital intensity. While our short investments will often act as portfolio hedges, we put these investments on with the intention of generating positive returns for the portfolio and hold them to that threshold.

The last of our three buckets is cash or cash equivalents. This is not a class of investments we think will make anyone rich over time, but it can and should be used when the investment environment is not offering attractive opportunities. We generally believe we can achieve 15% compounded annual returns in order to allocate capital to new investments. If we don't believe the markets are offering those opportunities, we have no problem going to cash and waiting for the right opportunities to arise.

In addition to the above, we may invest in certain fixed income or arbitrage opportunities on occasions, provided we feel we understand them completely and they fit our criteria for both significant positive return as well as capital preservation. By nature of the way the capitalization structure works of course, it is likely we will find our highest return opportunities in the equity markets.

2. Investment Strategies

The Fund's primary investment strategy is to make concentrated investments in mispriced securities. We will use both long and short investments as well as certain fixed income and arbitrage opportunities on occasion.

We generally like to have some balance in the portfolio between our long and short positions, but weightings and allocations will be based on what opportunities are available. Over time we expect to be meaningfully net long. Our short investments are not intended to be hedges, though they often serve that purpose. Short investments are expected to generate positive returns for the portfolio and we hold them to that threshold.

Mispricing is defined as a material discrepancy between price and intrinsic value. That can be both significant undervaluation as well as significant overvaluation. Our criteria for a change in the portfolio is based on finding something more attractive than the least attractive investment in the portfolio at a given time. When we find new opportunities with more attractive qualities, we will simply rotate out the least attractive investment in exchange for the new investment.

The Fund does not intend to trade around positions. We buy or go short companies based on fundamental analysis and hold those investments until either the market reprices them, or new information causes a change to our analysis.

Leverage is not a core part of our investment strategy and we expect to use very minimal over time. In circumstances where we do, we generally don't expect it to be more than 20% of the Fund's equity. The Fund may borrow on fixed or floating-rate terms and enter into term or revolving credit facilities, as determined by the General Partner.

The Fund may use various listed options, futures, derivatives and fixed-income instruments at times in order to achieve its desired positions.

The Fund may also make investments in strategies that are not correlated to the market. Relative value strategies where the Fund attempts to exploit pricing discrepancies between two similar or identical securities are an example.

The Fund will also take advantage of certain arbitrage situations arising out of corporate events, such as mergers and acquisitions, spin-offs, liquidations and reorganizations. In all of these strategies, the Fund will adhere to minimum return thresholds that the Investment Committee of the Fund believes will result in returns greater than that of the market over time. These strategies are considered supplementary to our core investments.

3. Risks

We cannot guarantee that our analysis methods will yield a return for the fund, the SMA or for the Investment Company where we serve as a sub-advisor. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that investors should be prepared to handle. Investors need to understand that investment decisions made by us are subject to various market, currency, economic, political, and business risks. The investment decisions we make will not always be profitable nor can we guarantee any level of performance.

We will offer our advisory services through investments in the Fund, SMA or the Investment Company sub-advisory relationship. The transactions in which we will generally engage involve significant trading risks. No assurance can be given that limited partners or investors will realize a profit on their investment. Moreover, each limited partner or investor may lose some or all of their investment. Because of the nature of the investment activities, the results of the operations may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

All risks indicated below apply equally to the Funds, the SMA and the Investment Companies we sub-advise.

General Risks

Limited Operating History

The Fund was formed in January of 2008. Accordingly, the Fund has a relatively limited performance history.

Reliance on the General Partner

The success of the Fund will depend on our ability, and in particular the ability of the General partner and BCM, to develop and implement investment strategies to achieve the Fund's investment objectives.

Currency and Interest Rate Investments

The Fund may, but is not required to, trade currency and interest rate contracts in an effort to hedge against certain investment risks. These contracts are not traded on or guaranteed by an exchange or its clearinghouse. Rather, banks and dealers act as principals in the contract markets. Trading currencies and interest rates in these unregulated markets may subject the Fund to the risk of failure, inability or refusal to perform a contract by counterparty to such contract. Were this to occur, the Fund could be

deprived of any profit potential or forced to cover its commitments for resale, if any, at the market price then current.

Lack of Diversification

The Fund intends to participate in a variety of hedge fund strategies with low directional exposure to the stock and bond markets. Accordingly, it is possible the Fund could hold a few investments relative to its total capital. If this were the case, any loss with respect to a single investment (or a few investments) could have a materially adverse impact on the Fund's profitability. Furthermore, to the extent that the capital raised is less than expected, the Fund may hold fewer investments and thus be less diversified.

Limited Partners Will Not Participate in Management

Purchasers of the interests in the Fund will become limited partners in the Fund and, as such, will not be entitled to participate in the management of the Fund. The limited partnership agreement and the Delaware Revised Uniform Limited Partnership Act, however, provide limited partners with limited voting and other rights.

Operating Deficits

The expenses of operating the Fund (including Management Fees) could exceed its income, requiring that the difference be paid out of the Fund's capital, reducing the Fund's investments and potential for profitability.

Investment Risks

All securities and commodities investing and trading activities risk the loss of capital. While we will attempt to moderate these risks, there can be no assurance that the Fund's investment and trading activities will be successful or that limited partners will not suffer losses.

Commodities and Futures Risk

Commodity futures prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested. While it is not anticipated that the Fund will participate in the futures market, if the Fund were to participate in the futures markets through investments in underlying funds, its losses in those cases would be limited to its investment in those underlying funds.

Trading in futures involves risk of loss that could materially adversely affect the value of the Fund's assets. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. Commodity exchanges limit daily price fluctuations in certain commodity futures contracts. For contracts that have a price limit, no trades may be executed at prices beyond the "daily limit" during the trading day. Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can be neither initiated nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Fund's futures managers from promptly liquidating unfavorable positions and subject the Fund to substantial losses.

Commodity futures trading is speculative. Price movements of commodity futures contracts are influenced by, among other things, changing supply and demand relationships, governmental, agricultural and trade programs and policies, and national and international political and economic events. Changing crop prospects occasioned by unexpected weather or damages by insects and plant diseases make it difficult to forecast supplies of agricultural commodities. Similarly, demand is also difficult to forecast due to such factors as variable world production patterns, unexpected purchases by foreign countries and continued changes in domestic needs. Financial instrument futures prices are influenced primarily by changes in interest rates. Foreign currency futures prices are influenced by, among other things, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency devaluations and revaluations.

Although foreign markets may offer advantages such as trading opportunities or arbitrage possibilities unavailable in the United States, foreign markets have greater risk potential than domestic markets. For example, some foreign exchanges are principal markets so that no common clearing facility exists and an investor may look only to the broker for performance of the contract. Transactions on foreign exchanges may include both commodities which are traded on domestic commodity exchanges and those which are not. Unlike trading on domestic commodity exchanges, trading on foreign commodity exchanges are not regulated by the CFTC. Therefore, the CFTC does not have the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country.

In addition, if the Fund trades on foreign exchanges, unless the Fund hedges itself against fluctuations in the exchange rate between the United States dollar and the currencies in which trading is done on some foreign exchanges, any profits which it might realize in trading on such exchanges could be eliminated by adverse changes in the exchange rate or it could incur losses as a result of any such fluctuations.

Short Selling

The Fund will engage in short selling of equities, equity options, equity index options and options on equity index futures contracts. Short sales can, in some circumstances, substantially increase the impact of adverse price movements on the Fund's portfolio. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying securities to cover the short position.

Concentration of Investments

The Fund's investment strategy concentrates on trading equity index investments. The partnership agreement does not limit the amount of the Fund's capital that may be committed to any single investment, industry, or sector. The partnership agreement imposes no limits on the concentration of the Fund's investments in particular securities, industries, or sectors, and at times the Fund may hold a relatively small number of securities positions, each representing a relatively large portion of the Fund's capital. Losses incurred in such positions could have a materially adverse effect on the Fund's overall financial condition.

Fundamental Analysis Risk

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics.
- The data used may be at least six months out of date.
- It is difficult to give appropriate weightings to the factors.
- It assumes that the analyst is competent.
- It ignores the influence of random events such as oil spills, product defects being exposed, acts of God, and so on.
- It assumes that there is no monopolistic power over markets.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. Trading in derivative instruments can result in large amounts of synthetic leverage. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with high volatility because you will not have enough time to ride out any declines in the stock market.

General Economic and Market Conditions

The success of the Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances.

These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments, although we expect to trade in markets that are considered to be very liquid, characterized by high trading volumes. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

Changes in Investment Strategies

The partnership agreement gives the General Partner broad discretion to expand, revise, or contract the Fund's business without the consent of the limited partners. Thus, the Fund's investment strategies may be altered without prior approval by, or notice to, the limited partners if the General Partner determines that such change is in the best interests of the Fund. Any such decision to engage in a new activity could result in the exposure of the Fund's capital to additional risks that may be substantial.

Insolvency of Brokers and Others

The Fund will be subject to the risk of failure of the brokerage firms that execute its trades, the clearing firms that such brokers use, or the clearinghouses of which such clearing firms are members. In the event of a failure of a broker/dealer used by the Fund, the United States Securities Investor Protection Company ("SIPC") provides a maximum of \$500,000 of account insurance, only \$250,000 of which may be taken in cash.

Use of Leverage

Although the Fund does not expect to employ leverage on a regular basis, the Fund may use leverage from time to time, particularly in connection with certain arbitrage strategies. Use of leverage increases both

profit potential and risk of loss. Losses incurred on leveraged investments increase in relation to the degree of leverage employed.

Restricted Liquidity and Transferability of Interests; Investment Time Horizon

There is no market for Interests and none is expected to develop. A limited partner's ability to voluntarily withdraw capital from the Fund may be restricted as described elsewhere in this Memorandum, including provisions relating to the withdrawal charges, timing and suspension of withdrawals, and suspension and/or delays of settlement of withdrawals. Investors should view their investments in the Fund as long-term.

Effect of Substantial Withdrawals

Substantial withdrawals by limited partners within a short period of time could require the Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting our investment strategy. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Potential Mandatory Withdrawal

The general partner may, in its sole discretion at any month-end on 10 days' notice, require a limited partner to withdraw all or a portion of his or her capital account balance. Such mandatory withdrawal could result in adverse tax and/or economic consequences to such limited partner.

Foreign Investors

The Fund may be subject to certain reporting and withholding obligations as to foreign investors. Foreign investors should consult with their own advisors regarding the federal, state, and foreign income tax consequences of an investment in the Fund.

General Partner's Performance Allocation and Manager's Management Fee

The General Partner may receive Performance Allocation and the Manager may receive Management Fees based upon unrealized appreciation as well as realized gains. The Manager will make determinations of unrealized appreciation on investments for which market quotations are not readily available. The Performance Allocation generally will be measured on a calendar year basis including the year in which an investment in the Fund was made, and will also be measured upon a limited partner's complete or partial withdrawal from the Fund before a calendar year end. Accordingly, if a limited partner's Capital Account experiences Net Profits above a High-Water Mark, during one calendar year but the Net Asset Value of the Capital Account decreases during the next calendar year, the General Partner may receive an allocation in excess of the amount it would have received if the Allocation Amount had been calculated based on the increase in Net Asset Value, if any, for the total period. The Performance Allocation to the General Partner may create an incentive for the Manager to make investments for the Fund that are riskier or more speculative than would be the case in the absence of the allocation.

Contingent Liabilities

The General Partner may find it necessary under certain circumstances to set up a reserve for contingent and future liabilities and withhold a portion of a withdrawing limited partner's Capital Account for such contingencies. In addition, the General Partner can treat any liability or expenditure that becomes fixed

or is incurred during any Accounting Period after the Accounting Period to which such liability or expenditure relates as either (i) arising in the Accounting Period in which the liability becomes fixed or the expenditure is incurred or (ii) arising in the prior Accounting Period, in which case the liability or expenditure will be charged to persons who were limited partners during the prior period in accordance with their relative Ownership Percentages in the Fund for such prior Accounting Period. Accordingly, under the Fund's Partnership Agreement and under the Delaware Revised Uniform Limited Partnership Act, the General Partner may under limited circumstances require a limited partner to return to the Fund amounts previously distributed to the limited partner, whether from capital or profits.

Participation in Management and Investment Decisions by Specified Individuals

At present, Eric F. Billings, Eric P. Billings, Tom P. Billings and Scott P. Billings are the principals of the General Partner and the Manager and the members of the Investment Committee. There is no guarantee that these individuals will remain active in such capacities, and one or more of these individuals may in the future be less active, or cease to be active at all, in the management of the Fund and the investment of the Fund's assets.

Taxes

Possibility of Taxation as a Corporation

We believe that, under current Federal income tax law, the Fund will be taxed as a partnership and not as a corporation. This status has not been confirmed by a ruling from, and such opinion is not binding upon, the IRS. No such ruling has been or will be requested.

The facts and authorities relied upon by counsel in their opinion may change in the future, including with respect to regulations which may be promulgated under recent amendments to Federal tax statutes. If the Fund were treated as a corporation for Federal income tax purposes, the income and deductions of the partnership would be reflected only on its own tax return rather than being passed through to the partners, and income would be taxed to the Fund at corporate rates. No losses of the Fund would be allowable as deductions of the partners. In addition, all or a portion of any distributions made by the Fund to the partners, other than liquidating distributions, would constitute dividends to the extent of the Fund's current or accumulated earnings and profits, and the amount of such distributions would not be deductible by the Fund in computing its taxable income.

Possibility of Tax Audits

Under the terms of the allocation provisions in the partnership agreement, partners experiencing depreciation in their capital accounts during the fiscal year may be allocated capital loss for Federal income tax purposes even though the partnership realized a net capital gain for the year. Conversely, limited partners experiencing appreciation in their capital accounts during the fiscal year may be allocated capital gain for Federal income tax purposes even though the Fund realized a net capital loss for the year. As a result, the Fund's method of allocating gain and loss to the partners may enhance the possibility that the Fund's tax return and individual partners' returns might be audited by the IRS.

If the Fund's tax return were to be audited by the IRS, there can be no assurance that adjustments would not be made to the return as a result of such an audit. The Fund audit procedures have been simplified and adjustments may be made at the Fund level that will bind all the partners. A general partner of a partnership is to be designated as the "tax matters partner," who is to be the Fund's primary

representative with respect to the IRS and will possess the power to extend the statute of limitations for assessment and collection with respect to such audits for all partners. By executing the partnership agreement, the limited partners appoint us to act as the “tax matters partner” of the Fund. If an audit of the Fund’s return results in an adjustment, the limited partners’ returns may be audited. Any expenses incurred in an audit of their individual returns must be borne by the limited partners. Furthermore, interest charged by the IRS on tax deficiencies is substantial and is compounded daily.

Other Possible Tax Law Changes

No assurance can be given that legislative, administrative, or judicial changes will not occur which will alter, either prospectively or retroactively, the tax considerations or risk factors discussed in this Brochure. Investors should seek, and must rely on, the advice of their own tax advisers with respect to the possible impact on their investment of any future proposed tax legislation or administrative or judicial action.

Tax Liability without Distributions

Limited partners will be liable to pay taxes on their allocable shares of the Fund’s taxable income. However, we do not intend to make significant distributions to the limited partners corresponding to profits, but instead intend to reinvest substantially all of the Fund’s income and gains for the foreseeable future. Taxable income can be expected to differ from net profit, primarily because generally only realized gains and losses are considered for income tax purposes but net profit and net loss will include unrealized gains and losses. It is possible that sales of appreciated securities in a particular period could cause some limited partners to have taxable gain for that period at the same time that unrealized losses result in an overall net loss. It will generally be necessary for limited partners to pay such tax liabilities out of separate Funds or withdrawals from the Fund. There are limitations on a limited partner’s right to make withdrawals from the Fund.

Limitations on Deductions

Tax laws in certain cases may limit a limited partner’s ability to deduct certain losses and expenditures allocable to such partner.

Regulatory Matters

Investment Company Regulation

The Fund intends to rely on the provisions of Section 3(c)(7) of the Federal Investment Company Act of 1940 (the “Investment Company Act”) to avoid requirements that it register as an “investment company” under, and comply with the substantive provisions of, the Investment Company Act. If the Fund were registered as an investment company, the Investment Company Act would require, among other things, that the Fund has a board of directors, some of whom were unrelated to the investment adviser, compel certain custodial arrangements, and regulate the relationship and transactions between the Fund and the investment adviser. Compliance with some of those provisions could possibly reduce certain risks of loss by the Fund or limited partners, although such compliance could significantly increase the Fund’s operating expenses and limit the Fund’s investment and trading activities. Interpretations of Sections 3(c)(1) and 3(c)(7) of the Investment Company Act are complex and uncertain in several respects, and, as a result, there can be no assurance that the Fund will remain entitled to rely on that Section. If the Fund were found not to have been entitled to such reliance, it and the investment adviser could be subject to legal actions by the SEC and others and the Fund could be forced to terminate its business under adverse circumstances.

Recent Developments in the Financial Services Industry

Recent developments in the U.S. financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty for the financial services industry. In July of 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) was passed into law, which imposes many new requirements and restrictions on the financial services industry that are likely to affect the business, operations, and performance of hedge funds, such as increased reporting requirements, limitations on certain trading activity, and regulatory oversight by different agencies, such as the newly created Financial Stability Oversight Counsel. The implications of the passage of the Dodd-Frank Act for the hedge fund industry as a whole still remain somewhat unclear as not all regulations related to the Dodd-Frank Act have been promulgated. The hedge fund industry may continue to be adversely affected by the recent developments in the financial markets in the U.S. and abroad, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader U.S. economy could have an adverse effect on the Fund’s business, operations, and performance.

Item 9 – 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 us or the integrity of our management. We have no information to disclose here about BCM or any of our investment advisors.

We adhere to high ethical standards for all advisors and associates. We strive to do what is in your best interests.

Item 10 – Other Financial Industry Activities and Affiliations

BCM is not registered as a broker-dealer or registered as a representative of a broker-dealer, nor does it have any pending application to register. In addition, BCM and its management persons are not affiliated with any broker-dealer.

BCM and its management persons are not registering as a commodity pool operator.

BCM and its management persons have other outside business activities to disclose at this time. Eric F. Billings, Sr. Managing Partner of BCM, currently is the Chairman of Arlington Asset Investment Corporation (NYSE: AI)

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

1. General Information

We have adopted a Code of Ethics for all supervised persons of the firm describing our high standards of business conduct, and fiduciary duty to our client. The Code of Ethics includes provisions relating to the confidentiality of investor information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment

items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended. You may request a copy of the firm's Code of Ethics by contacting Andreas Saviolakis.

2. Participation or Interest in Client Accounts

We do not participate in client accounts and have no interest in any client's accounts; however, we will invest alongside investors in the Fund.

3. Personal Trading

As a general matter, the Fund managers may invest in the same securities as the Fund, as well as the Fund itself, alongside other Investors. Eric P. Billings, Thomas P. Billings, Scott P. Billings and Eric F. Billings are invested in the Fund to align their interest with the Fund's Investors. We believe their investment in the Fund is a materially positive aspect of BCM's investment program.

Insider trading is also prohibited and we have adopted the following policy to prevent insider trading:

- No securities for our personal portfolio(s) or the Fund shall be bought or sold where this decision is derived, in whole or in part, from information we have obtained in our role as an Investment Advisor, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of the Fund's or our investors.

4. Privacy Statement

We are committed to safeguarding our investors' confidential information and hold all personal information provided to us (either by you or by other firms in connection with any of the financial services they provide) in the strictest confidence. We also require other firms with whom we deal with to restrict the use of our investor's information. Our Privacy Policy is available upon request.

5. Conflicts of Interest

We have a duty to disclose potential and actual conflicts of interest, and our employees have a duty to report potential and actual conflicts of interest to management.

Prospective investors should carefully consider the following conflicts of interest before purchasing any Interests in the Fund. The following conflicts of interest do not purport to be a complete or exhaustive explanation of the conflicts involved in this offering. Prospective investors should read the entire investment summary and the exhibits and should ask such questions of, and obtain such additional information from, us as they shall deem necessary before deciding to invest in the Fund.

In evaluating these conflicts of interests, potential investors should be aware that we have a fiduciary responsibility to the Fund and its limited partners to exercise good faith and fairness in all dealings affecting the Fund. In the event that a limited partner believes that the investment has violated its duty to the limited partners, it may seek legal relief for itself, or on behalf of the Fund under applicable laws and regulations to recover damages from or require an accounting from us. Limited partners should be aware that the performance of our responsibilities to the Fund will be measured by the terms of the limited partnership agreement and applicable law. Limited partners should be aware that it may be difficult to establish that the Fund's trading has been excessive due to the broad trading discretion given

to us under the limited partnership agreement, the authority given to the Fund to enter into the limited partnership agreement under the subscription agreement/power of attorney, the exculpatory provisions in the limited partnership agreement, and the announced intention to engage in speculative securities and options trading.

The General Partner, the Manager, and their members, officers, employees and related parties (collectively, the “Manager Affiliates”) engage in a variety of activities, including investment management and financial advisory activities that are independent from and may from time to time conflict with those of the Fund. Set forth below is a non-exhaustive list of certain conflicts of interest that may arise in connection with the activities of the Fund and such Manager Affiliates.

The General Partner organized the Fund and unilaterally established the business terms for the Fund. Limited partners will have no role in the management or operations of the Fund and neither the General Partner nor the Manager will compete with third parties to provide services to the Fund. Accordingly, there is no “market check” upon the services the General Partner and the Manager will provide to the Fund.

The Manager Affiliates, will be entitled to vote any Interests they own as limited partners. The interests of the Manager Affiliates may conflict with the interests of the limited partners on any issue requiring a vote.

All agreements and arrangements, including those relating to compensation, expense reimbursements, and indemnification between the Fund and the general partner are not the result of arms-length negotiations. As general partner, we will determine whether the various affiliates of ourselves and the Fund are, in accordance with the terms of the partnership agreement, entitled to exculpation and indemnification.

The Manager also may provide management and investment advisory services to other clients, including investment funds and managed accounts that follow investment programs similar to or different than those of the Fund. These other clients may compete with the Fund for investment opportunities. Although other accounts may pursue investment objectives that are similar to the Fund, the portfolios or portfolio returns of the Fund and such accounts may differ as a result of inflows and outflows of capital being made at different times and in different amounts, as well as because of different tax and regulatory considerations and differing costs. Situations may arise in which the activities of the Manager on behalf of other clients may disadvantage the Fund, such as the inability of the market fully to absorb orders for the purchase or sale of particular securities placed by the Manager for the Fund and other accounts at prices and in quantities which could be obtained if the same were being placed only for the Fund. The Manager may make investment decisions for themselves and the other accounts that may be different from those made by the Manager on behalf of the Fund (including the timing and nature of the action taken), even where the investment objectives are the same or similar to those of the Fund. The Manager Affiliates may at certain times be simultaneously seeking to purchase or sell the same or similar investments for the Fund and one or more other accounts, or for themselves.

When the Fund and one or more other accounts seek to participate in the same investment opportunity, orders will, to the extent feasible, be executed for all of the participating accounts on a fair, reasonable and equitable basis. For example, situations may arise in which the Fund and any one or more other

accounts may seek to acquire or dispose of a position, but it is not possible under prevailing market conditions to fill the entire order for more than one of these accounts at the same price that would be obtainable if an order were placed for only one of the accounts. In such situations, whenever transactions are executed on behalf of the Fund and any one or more other accounts, the trades will be allocated among the participating accounts in such a manner that, to the extent feasible, no participating account receives less favorable treatment than any other participating account. In order to achieve this objective in situations involving contemporaneous trades, all or any portion of the orders may be placed on a combined basis so that each participating account experiences the same average price for the trade. In addition, to the extent the Fund and any other accounts own the same security and determine to dispose of such security at the same time, the liquidation will, to the extent feasible, be conducted on a *pari passu* basis. The combination or coordination of orders as described herein will not be deemed to constitute participating accounts acting in concert with respect to the securities purchased or sold or otherwise constituting a group for any other purpose.

The principals of the General Partner and Manager (for so long as they remain principals, each, a “Conflict Party”) will devote such amounts of such persons’ business time and attention as the General Partner and the Manager each, in their discretion, determines to be consistent with the Fund achieving its investment objectives; provided, however, that nothing contained in the Partnership Agreement precludes any Conflict Party from: (i) engaging in business, educational, political, civic and charitable activities that do not interfere with its, his or her obligations to the Fund; or (ii) allocating an appropriate amount of its, his or her business time and attention to the affairs of (a) any existing investment fund owned or managed by any Conflict Party or (b) any subsequent investment fund formed by the General Partner, the Manager or one of their respective affiliates. In particular, Eric F. Billings is Chairman and Chief Executive Officer of AI. The General Partner and/or the Manager may and has in the past invested in public companies whose officers or directors may/have be(en) principals, directors, executives, or employees of the General Partner and/or the Manager, including FBR Capital Markets Corporation and AI. This situation may restrict the General Partner, the Manager officers, directors, employees, or other affiliates of the General Partner and the Manager from trading in certain securities to comply with the public companies’ internal trading policies as well as the General Partner’s and/or the Manager’s insider trading and code of ethics policies and procedures.

The General Partner and/or the Manager may invest in public companies whose officers or directors may be clients of the General Partner and/or Manager or investors in the Fund.

Conflict Parties may engage in or derive profit or compensation from any other ventures, activities or investments (whether occurring prior to, during or after the term of the Fund), and may engage for their own accounts and for the accounts of others in any such ventures, activities and investments, and receive fees and other compensation in connection with such ventures, activities and investments, without regard to whether the interests of such ventures, activities and investments conflict with those of the Fund. Neither the Fund, nor any limited partner by virtue of its investment in the Fund, shall have any right in and to such ventures, activities and investments or to the income or profits derived therefrom, and none of the Conflict Parties shall have any duty or obligation to make any reports to the Fund or the limited partners with respect to any such ventures, activities and investments. Any Conflict Party may act as a director, stockholder, officer, or employee of any corporation, a trustee of any trust, a partner of any partnership, a member of any limited liability company, or an administrative official of any other business

or governmental entity, regardless of whether the Fund invests in or has dealings with such corporation, trust, partnership, or other entity.

From time to time the Manager may determine that it is advisable for the Fund to sell a position to, or to purchase a position from, one or more accounts advised by the Manager. The Fund will not necessarily derive a benefit from each such transaction, and the Fund and the other party or parties to a particular transaction may have divergent interests. Moreover, there may be uncertainties regarding the valuation of investments that are subject to these transactions. Where required by applicable law or in other appropriate circumstances as determined by the General Partner, the General Partner is authorized to appoint an independent representative of the Fund to consent on the behalf of the Fund to the proposed terms of a transaction in which participating accounts may have divergent interests. Limited partners will have no opportunity to participate in the evaluation of the terms, merits or valuation of any such transactions and will be bound by the consent of any such representative.

The Fund and other accounts of the Manager may invest in securities or other instruments of the same issuer (or affiliated group of issuers) having a different seniority in the issuer's capital structure. If the issuer becomes insolvent or suffers financial distress, there may be a conflict between the interests of the Fund and the interests of the other accounts, insofar as the issuer may be unable to satisfy the claims of all classes of its creditors and security holders. Under these circumstances, it may not be feasible to reconcile the conflicting interests of the Fund and the other accounts in a way that protects the Fund's interests. In such cases, the Manager may recommend that the Fund retain the services of a manager unaffiliated with the Manager to negotiate the rights of the Fund.

Neither the General Partner nor any affiliate of the General Partner will be obligated to present any particular investment opportunity to the Fund even if such opportunity is of a character which, if presented to the Fund, could be taken by the Fund, and each of them will have the right to take for its own account (individually, as trustee or General Partner, or on behalf of any client) or to recommend to other individuals or entities any such particular investment opportunity. The General Partner and affiliates of the General Partner shall have the right to buy or sell securities for its or their own account(s) or the accounts of other persons, including without limitation, securities which are the same as, or similar to, securities bought or sold by the Fund.

The Performance Allocation and Management Fee create an incentive for the General Partner to take actions, such as using leverage, making riskier investments and lowering the quality of services, that could be detrimental to the Fund, in order to maximize the General Partner's compensation from the Fund and decrease its costs of operating the Fund.

Securities transactions will be allocated to brokers at the discretion of the General Partner. The General Partner has authority, but does not currently intend, to select brokers in consideration of such brokers' provision or payment of the costs of services (e.g., special execution and block positioning capabilities, research ideas, investment strategies and functions incidental to the effectuation of securities transactions) that are generally of benefit to the Fund but may not benefit the Fund in connection with particular transactions for the Fund. The commissions paid to such brokers could be in excess of the lowest brokerage commission available.

The Fund's brokers, including its Prime Brokers, Weeden Prime Services, LLC ("Weeden"), and JPMorgan Chase ("JPMorgan"), and certain of their affiliates may, but are not obligated to, provide capital introduction services to the Fund. Currently Weeden provides capital introduction services. Such services result in more investors, and concomitantly more assets, in the Fund, which benefits both the Fund and its limited partners, on the one hand, and the General Partner and its affiliates, on the other hand. Benefits to the General Partner and its affiliates include increased Management Fees and potentially higher Incentive Allocations as a result of such potentially larger Fund asset size. The possibility of such benefits to the General Partner and its affiliates results in a conflict of interest in its selection of the prime broker and other brokers and create an incentive for the General Partner to continue to retain the prime broker and other brokers. Of course, there is no guaranty that any benefits to either the Fund or its limited partners, or to the General Partner and its affiliates may be realized or that capital introduction services provided by the prime broker and other brokers will actually increase the Fund's assets. The Fund, and not the General Partner or its affiliates, pays brokerage fees and other fees and expenses to the broker and its affiliates. However, none of such fees or expenses are specifically allocable to any capital introduction services that the Prime Broker or its affiliates provide.

Any broker-dealer utilized by the Fund must be a member in good standing of the National Association of Securities Dealers, Inc. and registered as a broker-dealer in any state in which Interests would be offered by such broker-dealer.

Any applicable sales charge must be paid separately by the subscriber, unless the General Partner, in its sole and absolute discretion, permits such sales charge to be deducted from the subscriber's subscription payment for purposes of determining the net amount available for investment in the Fund or debited against the subscriber's Capital Account. To the extent permitted by applicable law, the General Partner may and currently does pay referral fees and placement fees to registered investment advisers, broker-dealers or others who refer investors to the Fund; to the extent such payments may properly be made under applicable law. Unless paid by the subscriber, any such fees or commissions will be paid by the General Partner or its affiliates (in cash, or on a deferred basis out of the Management Fee payable to the General Partner in the future). Any such arrangements will be disclosed to and must be consented to by the applicable investor. Placement Agents that solicit investors on behalf of the Fund are subject to a conflict of interest because they will be compensated about their solicitation activities. This conflict applies as well to nominees that are compensated by the Fund in connection with the investment of their clients' assets in the Fund.

The General Partner will allocate investment opportunities among the Fund and future investment funds formed in accordance with the terms of the Partnership Agreement as it deems appropriate.

The method of calculating the Performance Allocation and Management Fee may result in a conflict of interest between the General Partner, the Manager and the limited partners as to the valuation of the Fund's investments.

Additionally, the Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Fund. In selecting and structuring investments appropriate for the Fund, the General Partner will consider the investment and tax objectives of the Fund and its limited partners as a whole, not the investment, tax or other objectives of any particular limited partner of the Fund.

We strive to mitigate conflicts of interest to the best of our ability. Our policies and procedures require us to disclose all conflicts of interest and monitor our supervised persons for adherence to our policies.

Item 12 – Brokerage Practices

1. Soft Dollars

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. Weeden, JPMorgan, or additional broker-dealers may and currently do provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). These research products and/or services will assist BCM in its investment decision making process. The Fund may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where BCM determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

There may be other benefits from recommending Weeden and JPMorgan, such as software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing, and other market data; (iv) facilitate payment of fees from its

investors' accounts; and (v) assist with back-office functions, recordkeeping, and client reporting.

Other services may include, but are not limited to, performance reporting, contact management systems, third-party research, publications, access to educational conferences, roundtables, and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business related services and technology with whom BCM may contract directly.

The Investment Company's Manager and SMAs have authorized BCM to select brokers or dealers who also provide brokerage and research services to the Investment Company, SMAs and/or the other accounts over which it exercises investment discretion. BCM has been authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction that is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if BCM determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the executing broker or dealer.

2. Business Relationships

In order to provide the quality of services that the Fund and investors expect, it is necessary for BCM to establish, maintain, and enhance relationships with Fund investors and prospective Fund investors, as well as various professionals in the options investment and management business, such as attorneys, consultants, investment brokers, investment bankers, and other service providers and investment professionals. Establishing meaningful and long-term relationships in these and other areas in the investment industry are critical to BCM in identifying diverse strategies and sourcing investment opportunities for the Fund, as well as efficiently managing Fund assets.

BCM may participate in events to enhance these relationships. The meals, travel, and accommodations for many, but not all, events may be paid by BCM or some third-parties including private airfare and accommodations at upscale locations.

BCM's subsequent selection and retention of such service providers could be viewed as a form of reimbursement for attending such events. BCM recognizes and acknowledges our fiduciary duty to the Fund. As such, no such events or activities sponsored or received by BCM are permitted to influence our due diligence process in the acquiring, underwriting, financing, managing, leasing, and selling of investments or fulfilling our fiduciary duty to the Fund.

3. Best Execution

We have an obligation to seek best execution for the Fund. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of services, including the value of research provided, execution capability, commission rates, reputation, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

BCM will select the brokers and dealers for the Investment Company and SMAs. BCM's election of the brokers and dealers will be reviewed by the Board of the Investment Company from time to time. BCM is responsible for the negotiation and the allocation of principal business and portfolio brokerage.

In the selection of such brokers or dealers and the placing of such orders, BCM will at all times seek for the Investment Company and SMAs best execution, taking into account such factors as price (including the applicable brokerage commission or dealer spread), the execution capability, financial responsibility and responsiveness of the broker or dealer and the brokerage and research services provided by the broker or dealer.

4. Brokerage for Client Referrals

We do not receive any compensation or incentive for referring to broker-dealers, brokerage trades.

5. Directed Brokerage

We do not allow investors to direct brokerage to a specific custodian. BCM selects the brokers and/or dealers to use for trading the Fund and all sub-advised assets.

Item 13 – Review of Accounts

1. Reviews

Reviews will be conducted by us on a daily basis for the Fund. Generally, we will monitor for changes and shifts in the economy, changes to the underlying entity management and structure in which client assets are invested, and market shifts and corrections.

Reviews for our sub-advisory relationship are conducted on a daily basis and we monitor them for changes and shifts in the economy, changes to the underlying entity management and structure in which client assets are invested, and market shifts and corrections.

2. Reports

The Fund will furnish each limited partner with annual, audited financial statements, and plans to furnish unaudited, monthly statements of the estimated Net Asset Value of the limited partner's Capital Account. The Fund generally expects to provide annual financial statements within 120 days after the close of each fiscal year, or as soon as reasonably practical thereafter, together with such tax information as is necessary for the limited partners to prepare their income tax returns. However, there can be no assurance that such financial statements and tax information will be provided within such 120-day period.

BCM will supply all reports required by the Investment Company and SMAs per their instructions.

Item 14 – Client Referrals and Other Compensation

The General Partner may and currently does enter into agreements with placement agents and agree to compensate them on a basis that is fully disclosed to affected investors. Placement Agents that solicit investors on behalf of the Fund are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. This conflict applies as well to nominees that are compensated by the Fund in connection with the investment of their clients' assets in the Fund.

We do not receive any client referrals from our sub-advisory relationship with the Investment Company or SMAs.

Item 15 – Custody

Because we are under common control with the general partner of the Fund, we are deemed to have custody of the Fund assets. Assets for which we have custody are held only at qualified custodians and in accordance with applicable regulations. These regulations require us to maintain Fund assets with a qualified custodian in a separate account for each fund under the Fund's name. The Fund's securities and other assets are held in the custody of Goldman Sachs Execution & Clearing, LP and JPMorgan Clearing Corp.

BCM will not select the custodians for the sub-advisory relationship with the Investment Company and SMAs but will select the brokers to be used for the execution of trades however; BCM will not have custody of these assets.

Item 16 – Investment Discretion

We have investment discretion over the Fund's assets, in accordance with the Fund's respective offering documents and the Limited Partnership Agreement. In all cases, however, this discretion is exercised in a manner consistent with stated investment objectives in accordance with the Private Placement Memorandum for the Fund.

The Fund's Limited Partnership Agreement and offering documents generally set forth certain limitations with respect to the management of the Fund and our activities, among others.

As a sub-adviser, we have investment discretion over the Investment Company portfolios we manage subject to any limitations in the fund's prospectus.

Item 17 – Voting Client Securities

The Funds have elected to delegate their proxy voting authority to BCM; in such cases, BCM will provide the following services:

- Receipt and verification of proxies
- Analysis of issues according to Client's guidelines
- Voting of proxies according to Department of Labor guidelines
- Reporting on voting positions provided semi-annually
- Record keeping consistent with established standards
- Voting records can be requested at any time

BCM applies a disciplined approach when voting proxies. BCM votes proxies pursuant to BCM's policies and procedures unless provided with specific proxy voting instructions from the General Partner of the Fund or the Investment Company and SMAs.

BCM will vote proxies in the best interests of its Funds, SMAs, and the Investment Company and in accordance with BCM's established Proxy Guidelines Policies and Procedures document, the SMAs Agreement the sub-advisory agreements.

Following each voting period, BCM prepares proxy reports that provide a description of the matters that were voted on and provides detail on how each proxy was voted. BCM analyzes each proxy on a case-by-case basis to determine that all votes are cast solely in the best interest of the Funds. BCM generally mails or emails (per the Fund's instructions) Proxy Reports annually.

BCM will act with the care, skill, prudence and diligence under the prevailing circumstances that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. When proxies due have not been received, BCM will make reasonable efforts to obtain missing proxies however, BCM is not responsible for voting proxies it does not receive.

Item 18 – Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition. There is no financial condition that is reasonably likely to impair BCM's ability to continue to meet its contractual commitments and provide services to our investors.

We do not require prepayment of any advisory fees six or more months in advance. We have never filed for bankruptcy protection.