

**Item 1. Cover Page**

**Brochure of**

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This brochure provides information about the qualifications and business practices of Beryl Capital Management LLC (“**Beryl**”). If you have any questions about the contents of this brochure, please contact us at 917-446-1561 and/or [andrew.nelson@berylcap.com](mailto:andrew.nelson@berylcap.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

**Item 2. Material Changes**

The following are the material changes to this brochure since its last update on March 31, 2018:

None.

**Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

Beryl is a Delaware limited liability company that has been in business since 2013. Beryl's founder, controlling owner and portfolio manager is David A. Witkin. Beryl is the general partner of Beryl Capital Management LP, a Delaware limited partnership, which serves as the general partner of two master funds, Beryl Capital Partners LP and Beryl Capital Partners II LP (the "US Funds"). Beryl also manages two feeder funds, Beryl Capital Fund Ltd. and Beryl Capital Fund II Ltd. (together with the US Funds, the "Funds"). For convenience, references in this document to Beryl include Beryl Capital Management LP, as the context requires.

Beryl serves as the investment adviser to the Funds and various individually managed accounts. As of December 31, 2018, Beryl had total discretionary regulatory assets under management of approximately \$606,789,899. Beryl only manages assets on a discretionary basis.

Beryl focuses on a merger arbitrage strategy that aims to deliver positive absolute returns across a wide variety of overall market conditions. Beryl invests on behalf of its clients primarily in publicly traded equity and equity-related securities issued by U.S. and non-U.S. companies that are involved in (or may prospectively be involved in) corporate acquisitions, mergers, reorganizations, spin-offs, takeovers, tender offers, work-outs and other corporate restructurings and special situations. Beryl is authorized, however, to enter into any type of investment transaction that it deems appropriate under the terms of the Funds' partnership or other account agreements. Beryl selects all investments and strategies for its clients, and Fund investors have no opportunity to select or evaluate any investments or strategies. Similarly, separate account clients generally have no ability to select or evaluate particular investments or strategies, although, in Beryl's discretion, certain separate account clients may place limitations on position sizes Beryl may take.

Beryl does not participate in wrap fee programs.

#### **Item 5. Fees and Compensation**

Beryl's compensation is negotiable and varies, but typically, it charges an annual fee of 1.5% of assets under management, which amount is payable in quarterly installments at the beginning or end (depending on the provisions of each client's agreement) of each calendar quarter based on the net market value of each client's account on the date the fee accrues and becomes payable. Beryl also typically charges each client a performance fee equal to between 10% and 20% of net profits (including both realized and unrealized gains and losses). Performance fees are assessed in arrears on an annual or quarterly basis (depending on the provisions of each client's agreement), and are typically only applied to the portion of profits that exceed the cumulative losses previously incurred by a client.

Beryl provides certain investors or clients special fee arrangements that it generally does not provide to other investors or clients. Beryl may waive all or any portion of the management or performance fees with respect to any investor or client.

Beryl complies with Rule 205-3 under the Investment Advisers Act of 1940, to the extent required by applicable law. Performance fees may create an incentive for Beryl to make more risky and speculative investments than it would otherwise make.

Beryl typically deducts management and performance fees directly from client accounts.

Beryl believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in an investment limited partnership of which Beryl is general partner, to use the “alternative reporting option” to report Beryl’s compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

Generally, if a Fund terminates or an investor withdraws or redeems, the investor bears expenses and the pro rata portion of the management and performance fees through the date of termination or withdrawal or redemption. However, if an investor withdraws or redeems from a Fund on a date other than the last day of a calendar quarter, there is usually no refund to that investor of any management fee that it previously paid for that quarter.

While the terms of each individually managed account varies, except as may be otherwise negotiated in particular cases, generally the holder of an individually managed account may terminate the account by giving 10 days’ prior written notice. In all cases for each individually managed account, (1) expenses, the pro rata portion of the management fee and the performance fees through the date of termination are charged to the account, and (2) all prepaid but unearned advisory fees are refunded on termination of the account.

Each account is responsible for its own costs and expenses, including trading and research costs and expenses (such as data feeds, software fees, research, portfolio and risk management systems, quotation services and related equipment, brokerage commissions, expenses related to short sales, and clearing and settlement charges), taxes, ongoing legal, accounting and bookkeeping fees and expenses, professional, expert, and consulting fees and expenses, and the fees and expenses charged by any Fund administrator for its accounting, bookkeeping and other services. The Funds will also bear costs associated with their organization and fees charged by attorneys for Beryl and its affiliates. Beryl bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by securities brokerage firms that execute clients’ securities trades, as discussed in Item 12 below. Beryl may, in its sole discretion, pay any of the foregoing client expenses on behalf of client accounts, but in no event shall Beryl’s past payment of such expenses obligate it to continue paying such expenses.

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

While the majority of Beryl’s accounts pay performance-based compensation as described in Item 5, to comply with regulatory restrictions, certain accounts do not pay performance-based compensation. Typically, an account that does not pay performance-based compensation pays a higher asset-based fee. Regardless, Beryl has a conflict of interest if, in any time period, one fee structure would cause higher fees to Beryl than the other fee structure, because Beryl would have an incentive to favor the account that would pay the higher fees. To address this conflict, Beryl

typically allocates all investment opportunities within each strategy on a pro rata basis, based on each account's assets, although Beryl may deviate from this approach. In addition, Beryl has policies and procedures to review client account investment allocations on a regular basis.

## **Item 7. Types of Clients**

Beryl provides investment advice to the Funds and other individually managed accounts. Investors in the Funds are required to invest a minimum of \$500,000, but Beryl may waive this minimum. Beryl generally requires a minimum of \$20,000,000 to open an individually managed account, but may waive this minimum. Beryl's individually managed account clients may include individuals, high-net-worth individuals, institutions, trusts, endowments and pension plans.

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

### Investment Strategy

Beryl focuses on a merger arbitrage strategy that aims to deliver positive absolute returns to investors across a wide variety of overall market conditions. Beryl invests primarily in publicly traded equity and equity-related securities issued by U.S. companies that are involved in (or may prospectively be involved in) corporate acquisitions, mergers, reorganizations, spin-offs, takeovers, tender offers, work-outs and other corporate restructurings and special situations. Although the investment strategy is focused on securities of U.S. companies, Beryl may also invest in securities of non-U.S. companies involved in such transactions. Beryl may also invest in preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps, futures and other derivative instruments, bonds and other fixed income securities, currencies, private Securities, money market instruments, cash and cash equivalents. Beryl also engages in margin trading and hedging, may enter into securities lending, repurchase and reverse repurchase agreements and may employ other investment strategies.

The investment strategies summarized above represent Beryl's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which Beryl may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Beryl may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, Beryl may pursue any objectives or use any techniques that it considers appropriate and in clients' interest.

### Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that Beryl manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause clients or investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a

client or an investor may encounter. Potential investors in a Fund should review such Fund's offering circular or private offering memorandum carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. The risks described below also generally apply to individually managed accounts. A potential client should discuss with Beryl's representatives any questions that such person may have before opening an account.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Beryl has limited operating history on which prospective clients and investors may evaluate its performance.
- Investments in the securities of companies involved in (or the target of) corporate acquisitions, mergers, reorganizations, spin-offs, takeovers, tender offers, work-outs and other restructurings and special situations include special risks, including the risk that: (1) the contemplated transaction will not occur, take longer than anticipated, or have unexpected results, including a distribution of cash or a new security; (2) general market sentiment may shift, which may affect the ability of both parties to complete a transaction in a timely fashion pursuant to original deal terms; (3) interest rate fluctuations may occur, which could increase financing costs for an acquirer; there may be specific deteriorations in the target firm's financial situation; (4) legal and regulatory issues may affect a corporate event, including anti-trust and other regulatory prohibitions on transactions; and (5) other idiosyncratic issues related to either party to a corporate event may occur.
- The number of hostile tender offers commenced, the ability to obtain financing for them, and the number of such offers that are successfully completed, may increase or decline for a variety of reasons, and may be affected by corporate strategies developed in connection with defenses against such offers, court decisions or federal or state legislation, all of which may adversely affect Beryl's investment strategy.
- Beryl often invests in a relatively limited number of investments as a result of its strategy, so aggregate returns realized by any client may be substantially affected by the unfavorable performance of a small number of investments. Any concentration in a particular industry, security, issuer or country will make an account more susceptible to fluctuations in value and losses resulting from adverse economic conditions affecting that particular industry, security, issuer or country.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- Beryl's strategy depends on its accurate analysis of information concerning corporate events. It may not be able to obtain complete or accurate information about an investment or an event and it may misinterpret the information that it does receive.

- Beryl may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies. Corporate events with respect to small, unseasoned companies are often less closely tracked, which can lead to larger price spreads and greater potential losses if Beryl invests client accounts in such companies' securities.
- Beryl often hedges its positions, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Beryl is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- Beryl sells securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. Beryl could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.
- To make a short sale, Beryl must borrow the securities being sold short. It may be impossible to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets. If the prices of securities sold short increase, an account may need to provide additional funds or collateral to maintain its short positions. This could require the account to liquidate other investments to provide additional collateral. Such liquidations might not be at favorable prices.
- Beryl typically uses leverage by borrowing on margin, selling securities short and trading derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Beryl may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Counterparties such as brokers, dealers, custodians and administrators with which Beryl does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- Beryl may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.

- Beryl may cause clients to invest in securities of non-U.S. issuers. The risks of these investments include different (and sometimes unenforced) laws, rules and regulations governing corporate events, which can lead to greater risks for Beryl's clients when it invests in corporate events of non-U.S. issuers; political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Beryl may acquire for a client a large position in an issuer's securities, but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if Beryl holds a large position in an issuer's securities, it could depress the market for those securities.
- Some of an account's positions may be or become illiquid, in which case Beryl may not be able to sell such positions.
- Beryl's accounts' investments are often not diversified. Therefore, a loss in any one position, industry or sector in which a client has invested may cause significant losses.
- Beryl determines the value of securities and commodities held in client accounts, whether or not a public market exists for such instruments. If Beryl's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a Fund might receive an equity interest that is worth less than the investor paid and an investor that is withdrawing or redeeming assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- While the terms of any client's agreement with Beryl vary, generally (1) the client and not Beryl is responsible for any trade errors that Beryl makes in an account, even when the error hurts the client, and (2) Beryl and its affiliates and agents are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in such loss constituted gross negligent, fraud or willful misconduct to the client or investor.
- There is not and will not be an active market for Fund interests or shares. It may be impossible to transfer any such interests or shares, even in an emergency.
- A Fund may not be able to generate cash necessary to satisfy investor withdrawals and redemptions. Substantial withdrawals and redemptions in a short period could force Beryl to liquidate investments too rapidly, and may so reduce the size of a Fund that it cannot generate returns or reduce losses.



- A Fund may limit or suspend withdrawals or redemptions of an investor's assets from the Fund.
- A Fund may establish a reserve for contingencies if Beryl considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- If the assets that Beryl and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Beryl to find attractive investments as the amount of assets that it must invest increases.
- No client or investor has been represented by separate counsel. The attorneys who represent Beryl or David A. Witkin do not represent clients or investors. Clients and investors must hire their own counsel for legal advice and representation.
- A Fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- Beryl, its affiliates, an administrator or any government agency may freeze assets that any of them believes a client holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of Beryl, its affiliates, a Fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- The Funds do not intend to make distributions, but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a Fund without a cash distribution to pay the related taxes.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Beryl must devote to regulatory compliance, to the detriment of investment activities.
- Beryl is not registered with the SEC as a broker-dealer, or with the Commodity Futures Trading Commission as a commodity pool operator or commodity trading adviser. The interests in the Funds are not registered under the Securities Act of 1933, and the Funds are not registered investment companies under the Investment Company Act of 1940. Beryl believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Beryl and any Fund could be subject to expensive legal action and potential termination. In addition, investors in the Funds do not have certain regulatory protection that they would have if these registrations were in place.
- Beryl's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- Beryl's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.

- If a Fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.
- The success of Beryl's investment strategy depends on the skill and acumen of David A. Witkin in selecting investments directly and in selecting other managers and other employees. If Mr. Witkin should cease to participate in Beryl's activities, its ability to select attractive investments and manage its client's portfolios could be impaired.
- Beryl depends heavily on information systems and technology. A disruption in the infrastructure that supports Beryl's business, including a disruption involving order management systems, electronic communications or other services that Beryl or third parties with which it does business use, may affect Beryl's ability to continue to manage its client without interruption.
- Beryl and its affiliates may spend time on activities that compete with a Fund or account without accountability to investors or such account, including investing for other clients and their own accounts. If Beryl receives better compensation and other benefits from managing other assets or client accounts compared to managing a Fund or a particular account, it has incentive to allocate more time to those other activities. These factors could influence Beryl not to make investments on a Fund's or account's behalf even if such investments would benefit the Fund or such account.
- Beryl may provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal or redemption rights that it does not provide to other investors or clients.

The above is only a brief summary of some of the important risks that a client or an investor may encounter. Before deciding to invest in a Fund that Beryl manages, you should consider carefully all of the risk factors and other information in the Fund's offering circular or private offering memorandum.

#### **Item 9. Disciplinary Information**

In September 2015, in connection with its application for an investment adviser certificate with California's Department of Business Oversight (the "DBO"), Beryl disclosed that beginning in or about June 2013, it had conducted business as an investment adviser in California without first applying for and securing from the DBO a certificate authorizing Beryl to do so, in violation of California Corporations Code section 25230(a). In July 2016, Beryl entered into a Stipulation Agreement with the DBO pursuant to which it (1) consented to desist and refrain from engaging in investment adviser activities unless and until it received the certificate required under the California Corporate Securities Law of 1968 (CSL) or unless exempt, (2) stipulated to undertake all appropriate steps designed to assure full compliance with the laws of California in connection with the licensing of Beryl's business as an investment adviser and (3) agreed to pay the DBO an administrative penalty in the amount of \$45,000. Beryl subsequently was granted an investment adviser certificate by the DBO.

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

This Item is not applicable, because Beryl has no reportable other financial industry activities or affiliations. Beryl or its affiliates also acts as commodity pool operators or commodity trading advisers with respect to Beryl's clients, but each is exempt from registration with the Commodity Futures Trading Commission.

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

### **A. Code of Ethics.**

Beryl has adopted a Code of Ethics (the “**Code**”) in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, which, among other things, (i) describes the standards of business conduct Beryl requires of its supervised persons; (ii) governs the personal securities transactions of Beryl's supervised persons (iii) governs the treatment and forbids the use of material nonpublic information by Beryl's supervised persons, and (iv) requires all supervised persons to report any violations of the Code to Beryl's Compliance Officer.

The Code provides that (1) Beryl's clients' interests come before Beryl's or its supervised persons' interests; (2) Beryl must disclose to clients all material facts about conflicts of which it is aware between Beryl and its supervised persons, on the one hand, and clients, on the other; (3) supervised persons must operate consistently with Beryl's disclosures to and arrangements with clients regarding conflicts and its efforts to manage the effects of those conflicts; (4) Beryl and its supervised persons must not take advantage of the Beryl's clients or their positions of trust with or responsibility to clients; and (5) Beryl and its supervised persons must comply with all applicable securities laws.

The Code requires supervised persons to report personal securities holdings periodically. In addition, Beryl monitors all supervised persons' securities transactions. Supervised persons must arrange for duplicate copies of their brokerage statements and trade confirmations to be sent to Beryl's Compliance Officer. The Code includes procedures for and restrictions on supervised persons trading intended to prevent supervised persons from benefiting from, or appearing to benefit from, any price movement that may be caused by client transactions or Beryl's recommendations regarding securities. Among other items, these procedures include in some circumstances certain pre-clearance requirements. The Code also contains restrictions on and procedures to prevent inappropriate trading while Beryl is in possession of material nonpublic information.

Beryl will provide a copy of its Code of Ethics to any client, prospective client or investor in any Fund upon request. Such a request may be made by submitting a written request to Beryl at the email address on the cover page to this brochure.

### **B. Personal Trading**

Beryl's supervised persons may personally invest in securities of the same classes as Beryl purchases for clients and may own securities of issuers whose securities Beryl subsequently purchases for clients. Beryl and its employees may buy or sell specific securities for their own

accounts based on personal investment considerations aside from company or industry fundamentals, which Beryl does not believe appropriate to buy or sell for clients.

The above trading practices create a conflict of interest in that any of Beryl's supervised persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, under Beryl's Code of Ethics, Beryl's employees typically must obtain pre-approval before engaging in most securities transactions. Further, if Beryl purchases or sells a security for clients and any supervised persons purchases or sells the same security on the same day, such person must ensure that his or her order is entered only after completion of all reasonably anticipated trading in that security for any client account on such day. Beryl's Compliance Officer may make any adjustments to any such transaction, if he determines there is a potential conflict of interest with any such security transaction.

### **C. Conflicts of Interests Related to Multiple Accounts**

Because Beryl manages more than one client account, including the Funds, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, Beryl selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. Beryl may buy or sell a security for one type of client but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Beryl may also take positions in certain securities on behalf of particular clients that are larger or more concentrated than positions taken for other clients. Beryl may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client so long as it is Beryl's policy, to the extent practicable, to allocate investment opportunities to its clients fairly and equitably over time. Beryl is not obligated to acquire for any client any security that Beryl or its partners, managers, members or employees may acquire for its or their own accounts or for any other client, if in Beryl's absolute discretion, it is not practical or desirable to acquire a position in such security for that client.

### **D. Solicitation of Clients**

Beryl solicits investors who may or may not be Beryl's clients to invest in its Funds. Beryl has an incentive to cause a client to invest in a Fund instead of an individually managed account because of the reduced expenses and administrative burdens of managing a Fund compared to an individually managed account, and investors in the Funds have less transparency and liquidity than individual account clients. In addition, if a Fund investor also has an individually managed account with Beryl that uses an investment strategy that is similar to that of the Fund, the investor may use knowledge of the other account's portfolio to decide if and when to make an additional investment or withdraw or redeem assets from the Fund at times when other Fund investors would have made similar decisions had they had similar transparency. Beryl discloses these conflicts of interest to clients and investors.

## **Item 12. Brokerage Practices**

Beryl has complete discretion in selecting the broker (which term includes futures commission merchants) that it uses for client transactions and the commission rates that clients pay such brokers. In selecting a broker for any transaction or series of transactions, Beryl may consider a number of factors, including, for example:

- special execution capabilities;
- willingness to execute related or unrelated difficult transactions in the future; willingness to commit capital; knowledge of buyers and sellers;
- block trading and block positioning capabilities;
- efficiency of execution and error resolution;
- order of call;
- offering to Beryl on-line access to computerized data regarding clients' accounts;
- computer trading systems;
- clearance, settlement and reputation;
- financial strength and stability;
- custody, recordkeeping and similar services;
- quotation services; and
- the availability of stocks to borrow for short trades.

Beryl may also purchase from a broker or allow a broker to pay for the following (each a "soft dollar" relationship):

- research reports, services and conferences, including third-party research fees;
- economic and market information; portfolio strategy advice; industry and company comments;
- technical data; consultations;
- periodical subscription fees;
- performance measurement data;
- on-line pricing; and
- news wire and data processing charges.

Beryl may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers or direct a broker that executes transactions to share some of its commissions with a broker that provides soft dollar benefits to Beryl.

Beryl has retained J.P. Morgan Securities LLC and Wintrust Fund Group to serve as the Funds' prime broker and/or custodian. Beryl also manages separately managed accounts that have retained J.P. Morgan Securities LLC, Interactive Brokers LLC and Morgan Stanley & Co. LLC (the "Prime Brokers") as prime brokers and custodians. The services that the Prime Brokers provide as broker and custodian may include providing custody, margin financing, clearing, settlement and stock borrowing in accordance with the terms of the brokerage and custody agreement entered into with the Funds or individually managed accounts. Beryl may receive other services from the Prime Brokers. Beryl is not required to direct a particular number of trades to the Prime Brokers or to continue to use any of the Prime Brokers as the Funds' or any

accounts' broker or custodian, but it has an incentive to do so based on their prior and continued services.

A client's obligations to the Prime Brokers and its affiliates will be secured by a first priority perfected security interest over all of the client's assets held in custody by the Prime Brokers and its affiliates. A custodian may transfer to itself all rights, title and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge or otherwise use all such collateral for its own purposes. If any such transfer occurs, the client will rank as such custodian's (or affiliate's) unsecured creditor. If such custodian or affiliate becomes insolvent, the client may not be able to recover such equivalent securities in full. In addition, the client's cash held by a custodian may not be segregated from such custodian's own cash and, if not so segregated, may be used by such custodian or affiliate in the course of its business and the client will therefore rank as an unsecured creditor in relation thereto.

If any of the client's investments are registered in the name of a custodian or affiliate due to the nature of the law or market practice of a particular jurisdiction, such investments will not be segregated from the custodian's or affiliate's own investments and if such custodian or affiliate becomes insolvent, the client may not be able to recover such equivalent investments in full.

Beryl may select a broker to act as a "trading broker" for a client. In such cases, Beryl or the trading broker may select the executing broker, and the trading broker would then place or manage the order. The trading broker is compensated (through commissions or otherwise) for this trading service in addition to the commissions paid to the executing brokers. As with all soft dollar arrangements, using a trading broker in this manner causes the client to pay brokerage commissions, mark-ups and other transactions fees that are higher than might otherwise be paid if brokers were selected solely based on lowest execution cost. In addition, using a trading broker (rather than an employee of Beryl) to provide those services may allow Beryl to reduce its own personnel expenses.

Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If Beryl uses commission dollars to pay for products or services that provide administrative or other nonresearch assistance to itself or its affiliates, such payments may not fall within the section 28(e) safe harbor.

Beryl may pay to a broker commissions and mark-ups that exceed those that another broker might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker provides. Beryl determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Beryl's overall fiduciary duty to its clients. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Beryl's brokerage relationships benefit Beryl's operations as a whole and all accounts that it manages, including

those that do not generate the soft dollars that pay for such research and other benefits and accounts of clients that direct Beryl to use a broker that does not provide Beryl with soft dollar services. Beryl does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.

Beryl's relationships with brokers that provide soft dollar services influence Beryl's judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not, and in allocating the costs of mixed-use products between their research and non-research uses. Beryl has an incentive to select or recommend a broker based on Beryl's interest in receiving soft dollar services rather than clients' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Beryl uses soft dollars to pay expenses it would otherwise be required to pay itself.

Beryl addresses these conflicts of interest by periodically evaluating the trade execution services that Beryl receives from the brokers that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers. Beryl considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers, increasing or decreasing targets for each broker and the appropriate level of commission rates.

Certain clients may not be subject to commissions on CMTA options trades based upon the inability of their brokers to process such commissions. Because such clients may participate in "block" or "bunch" CMTA options transactions alongside other clients who do pay commissions on such trades, these clients may benefit from more beneficial execution than they would otherwise have achieved, without paying applicable transaction expenses.

Beryl generally aggregates securities sale and purchase orders for clients with similar orders being made contemporaneously for other accounts that Beryl manages or with accounts of its affiliates. In such event, Beryl may charge or credit a client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if Beryl were not executing similar transactions concurrently for other accounts. Beryl may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both clients.

### **Item 13.      Review of Accounts**

Beryl's Chief Executive Officer typically reviews all accounts daily. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Each account receives a quarterly letter stating performance for the quarter and an annual letter discussing annual performance and investment outlook. Accounts may be provided more frequent access to performance reports, including electronic access through Beryl's broker's website.

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

Beryl engages solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and Beryl complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

#### **Item 15. Custody**

The custodian of each individually managed account sends account statements at least quarterly to the client. Each client should carefully review those statements and compare them with the statements that such client receives directly from Beryl, if any.

Beryl is deemed to have custody over assets of the Funds because it has the authority to obtain funds or securities, for example, by deducting advisory fees from the Funds or otherwise withdrawing assets from the Funds. Accordingly, Beryl is subject to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). The Funds’ assets are held in custody by unaffiliated broker-dealers or banks, each of which is a “qualified custodian” as that term is defined in the Custody Rule. The Funds are subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The Funds’ audited financial statements are prepared in accordance with generally accepted accounting principles in the United States and are sent to limited partners within 120 days following the end of each Fund’s fiscal year.

#### **Item 16. Investment Discretion**

Beryl has discretionary authority to manage investment accounts on behalf of clients pursuant to a grant of authority in each Fund’s limited partnership agreement or a limited power of attorney in each client’s account agreement. Except for Beryl’s limited partnership clients, such discretion is limited by the requirement that clients advise Beryl of:

- the investment objectives of the account;
- tolerance for leverage;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify Beryl in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct Beryl to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client’s investment objectives. In addition, a client may notify Beryl at any time not to invest any funds in the client’s account in specific securities or specific categories of securities.

#### **Item 17. Voting Client Securities**



Beryl decides whether to vote proxies on behalf of each account over which Beryl has proxy voting authority after considering whether the proposal will have a material effect on the account's investment strategy. While Beryl often votes proxies in connection with corporate events, this analysis may lead Beryl to not vote proxies in some circumstances. In determining whether a proposal serves an account's best interests, Beryl considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

Beryl abstains from voting proxies when Beryl believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between Beryl and a client, Beryl will vote all proxies in accordance with the policy described above. If Beryl determines that this policy does not adequately address the conflict of interest, Beryl will notify the client of the conflict and request that the client consent to Beryl's intended response to the proxy solicitation. If the client consents to Beryl's intended response or fails to respond to the notice within a reasonable time specified in the notice, Beryl will vote the proxy as described in the notice. If the client objects in writing to Beryl's intended response, Beryl will vote the proxy as the client directs.

A client can obtain a copy of Beryl's proxy voting policy and a record of votes cast by Beryl on behalf of that client by contacting Beryl.

#### **Item 18. Financial Information**

This Item is not applicable, because Beryl is not required to report financial information.

#### **Item 19. Requirements for State-Registered Advisers**

Not applicable.

#### **Privacy Policy**

Beryl:

- collects non-public personal information about its clients and investors from the following sources:
  - information received from clients or investors on applications or other forms, and
  - information about clients' or investors' transactions with Beryl, its affiliates or others;

- does not disclose any non-public personal information about its clients or investors or former clients or investors to anyone, except as permitted by law;
- restricts access to non-public personal information about its clients and investors to its employees who need to know that information to provide services to clients; and
- maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.