



OWLS NEST PARTNERS IA, LLC

223 Wilmington-West Chester Pike, Suite 300
Chadds Ford, PA 19317
(484) 352-1110
www.owlsnest.partners

ADV PART 2A **Investment Adviser Brochure**

March 26, 2024

This Brochure provides information about the qualifications and business practices of Owls Nest Partners IA, LLC (the "Adviser"). If you have any questions about the contents of this Brochure, please contact us at (484) 352-1110 or use the contact information form on our website www.owlsnest.partners. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or any state securities authority.

The Adviser is an SEC-registered investment adviser. SEC registration does not imply a certain level of skill or training. Additional information about the Adviser is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

You can request the most recent version of this Brochure, free of charge, by contacting the Adviser at (484) 352-1110 or use the contact information form on our website www.owlsnest.partners. You can also obtain a copy by going to the SEC's website at www.adviserinfo.sec.gov.

The Adviser's last update of this Brochure was filed with the SEC on March 30, 2023. The discussion below includes the only material change since that filing. Please review these changes carefully.

1. Head Office Relocation:

As of May 10th, 2023, The Adviser's head office has moved to 223 Wilmington-West Chester Pike, Suite 300, Chadds Ford, PA, 19317. Please note that this move was internal within the Advisor's previous building, to a new space on a different floor.

2. Investment Leadership Title Changes:

Effective January 1, 2024, Samuel I. Gudeon has been promoted to Co-Portfolio Manager for all strategies managed by the Advisor. This promotion is a recognition of Mr. Gudeon's passion for our mission and the incredible contribution he has made to Owls Nest since he joined the Advisor seven years ago. Mr. Gudeon will retain the title and function as Director of Research, coordinating the research workload among the Advisor's analyst team.

Philip C. Timon has added the title of Chief Investment Officer and retains the title of Portfolio Manager. His responsibilities are unchanged.

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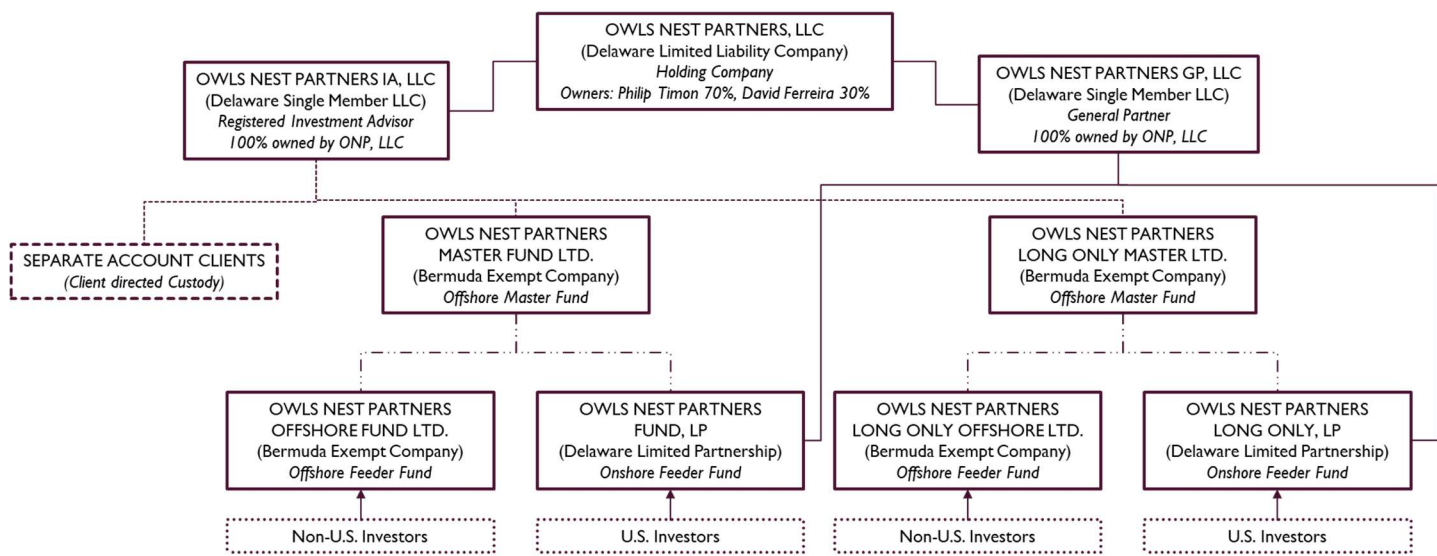
Item 4 Advisory Business

A. Owls Nest Partners IA, LLC

The Adviser is an SEC-registered investment adviser, formed in July 2017 as a Delaware limited liability company. The Adviser is wholly owned by Owls Nest Partners, LLC, a Delaware limited liability company, which is wholly owned by Philip C. Timon, Chief Investment Officer and Portfolio Manager of the Adviser and David C. Ferreira, President, Chief Operating Officer and Chief Compliance Officer of the Adviser. The executive officers of the Adviser include Mr. Timon and Mr. Ferreira. The Adviser maintains its principal place of business in Chadds Ford, Pennsylvania.

B. Advisory Services

The Adviser provides investment advisory services to separately managed accounts and funds. The Adviser serves as the investment adviser to Owls Nest Partners Master Fund, Ltd., a Bermuda Exempt Company, the master fund of a master/feeder fund structure (the “Master Fund”), and to Owls Nest Partners Long Only Master Ltd., a Bermuda Exempt Company, the master fund of a master/feeder fund structure (the “Long Only Fund” and together with the Master Fund, the “Funds”). The two feeder funds to the Master Fund are (1) Owls Nest Partners Fund, LP, a Delaware limited partnership, an onshore feeder fund (the “Master Fund Onshore Feeder”), and (2) Owls Nest Partners Offshore Fund, Ltd., a Bermuda Exempt Company, an offshore feeder fund (the “Master Fund Offshore Feeder”). The two feeder funds to the Long Only Fund will be (1) Owls Nest Partners Long Only Offshore Ltd., a Bermuda Exempt Company, an offshore feeder fund (the “Long Only Offshore Feeder”), and (2) Owls Nest Partners Long Only LP, a Delaware limited partnership, an onshore feeder fund (the “Long Only Onshore Feeder”), (collectively with the Master Fund Onshore Feeder and the Master Fund Offshore Feeder, the “Feeder Funds”). The general partner of the Master Fund Onshore Feeder and Long Only Onshore Feeder is Owls Nest Partners GP, LLC, a Delaware limited liability company (the “General Partner”). The chart below illustrates the relationship of the Adviser to these entities.



----- = Relationship Governed by individual Investment Management Agreements

As the investment adviser of the Funds, the Adviser will invest substantially all of the assets into the respective Funds. Based upon the General Partner's investment discretion, which it has delegated to the Adviser per the investment management agreement, the Adviser and the General Partner are filing a single form ADV in reliance upon the SEC's expressed position in the 2005 and 2012 American Bar Association No-Action Letters.

The Funds' investment objective is to achieve long-term outperformance by investing in a highly concentrated portfolio of publicly traded equity securities, primarily those securities of out-of-favor and misunderstood small and mid-capitalization companies. The Master Fund may seek to achieve this investment objective by purchasing long, or selling short, publicly traded equity securities. The Master Fund may also use leverage and is managed with an awareness of the impact of taxes. The Long Only Fund will seek to achieve this investment objective solely through purchasing long securities. The Long Only Fund cannot use leverage and will not be tax aware. It is expected that the Long Only Fund will only have tax-exempt investors. In providing advisory services to the Funds, the Adviser engages in the development of investments, makes investment and divestment decisions, manages the Funds' assets, and provides reports to the General Partner of the Onshore Feeder and the directors of the Offshore Feeder. The Adviser performs these services according to the obligations and restrictions set forth in the investment management agreements between the Funds and the Adviser.

In addition, the Adviser will provide investment advisory services to the following types of clients (the "SMA Clients") (please see Item 7 of this Brochure for more information on client requirements):

Institutions

- Endowments
- Foundations
- Outsourced Chief Investment Officers
- Registered Investment Advisers
- Corporations
- Insurance Companies
- Sovereign Entities

Quasi-Institutions

- Family offices
- Trusts

High Net-Worth Individuals

- 401k and Individual Retirement Accounts

The Adviser will manage these accounts on a discretionary basis pursuant to the obligations and restrictions set forth in the SMA Clients' investment management agreements. Similar to the services provided to the Funds, the Adviser's investment advice to SMA Clients will primarily focus on publicly traded equity securities, specifically those securities of out-of-favor and misunderstood small and mid-capitalization companies.

C. Tailoring Services

The Adviser employs a specific strategy with respect to the management of assets, as discussed in

the preceding Section B. The Adviser believes that this strategy is uniquely tailored to meet the needs of the SMA Clients and Funds that it will service. Additionally, SMA Clients may impose restrictions on the Adviser's investment in certain securities or types of securities, and these restrictions will be set forth in the SMA Clients' investment management agreements.

D. Wrap Fee Programs

The Adviser does not participate in wrap fee programs.

E. Advisory Services

As of December 31, 2023, the Adviser had regulatory assets under management in excess of \$389 million. All the Adviser's assets under management are managed on a discretionary basis.

Item 5 Fees and Compensation

Please note that any client who has not been provided this Brochure at least 48 hours prior to signing an investment management agreement with the Adviser, may cancel that agreement, with no penalty, within five business days of signing the agreement.

A. Fees

For SMA Clients:

Management Fees

SMA Clients pay the Adviser a fixed annual management fee (the “Management Fee”) as set forth in the Fee Schedule below. Each month, the Adviser will calculate the Management Fee based on the individual SMA Client’s end of month net assets and deduct that amount from the SMA Client’s account per invoice to the qualified custodian. The Adviser has the authority to waive, reduce, share or rebate the Management Fee with respect to certain clients.

Performance Fees

The Adviser receives a performance fee (the “Performance Fee”) as set forth in the Fee Schedule below. When due, the applicable Performance Fee will be invoiced to the SMA Client. Upon the request and authorization of a SMA Client, the Adviser will deduct the Performance Fee from the SMA Client’s account per invoice to the qualified custodian. The Performance Fee must be paid within 30 calendar days of the date of the invoice. The Adviser has the authority to waive, reduce, share, or rebate the Performance Fee with respect to certain clients.

Performance Fees will only be charged to persons who meet the definition of Qualified Client, as defined in Rule 205-3 under the Investment Advisers Act of 1940 (the “Advisers Act”).

Management Fee	Performance Fee
1% of the account balance**	25% of the amount by which the SMA Client’s return (inclusive of all fees and expenses incurred) exceeds the return that the SMA Client would have received from investing the capital account balance, over five years, in the Russell 2000 Total Return Index**

**Except as otherwise agreed to by the Adviser and SMA Client

For the Funds:

Fund Management Fees

The Feeder Funds' investors pay the Adviser a fixed annual management fee (the "Fund Management Fee") as set forth in the Class Fee Schedule below. Each month, the Adviser will calculate the Fund Management Fee based on the investor's share of the beginning of month net assets and deduct that amount from the investor's capital account.

The Adviser has the authority to waive, reduce, share, or rebate the Fund Management Fee with respect to certain investors, including Affiliates (as defined in the Funds' Private Placement Memoranda) of the General Partner and Adviser.

Fund Performance Fees

The Adviser receives a performance fee (the "Fund Performance Fee") as set forth in the Class Fee Schedule below. When due, the applicable Fund Performance Fee will be invoiced to Feeder Funds' investors. Upon the request and authorization of an investor, the Adviser will deduct the Fund Performance Fee from the investor's capital account. The Fund Performance Fee must be paid within 30 calendar days of the date of the invoice.

The Adviser has the authority to waive, reduce, share, or rebate the Fund Performance Fee with respect to certain investors.

Performance Fees will only be charged to persons who meet the definition of Qualified Client, as defined in Rule 205-3 under the Adviser's Act.

The Master Fund

Interest	Fund Management Fee	Fund Performance Fee
Class A	1% of the capital account balance	15% of the amount by which the investor's return (inclusive of all fees and expenses incurred) exceeds the return that the investor would have received from investing the capital account balance, over five years, in the Russell 2000 Total Return Index
Class B	Negotiated on a case-by-case basis; however, in no circumstances will they be lower (or more favorable) than Class A fees.	Negotiated on a case-by-case basis; however, in no circumstances will they be lower (or more favorable) than Class A fees.

Class C	1% of the capital account balance	25% of the amount by which the investor's return (inclusive of all fees and expenses incurred) exceeds the return that the investor would have received from investing the capital account balance, over five years, in the Russell 2000 Total Return Index.
Class D	1% of the capital account balance	15% of the amount by which the investor's return (inclusive of all fees and expenses incurred) exceeds the return that the investor would have received from investing the capital account balance, over five years, in the Russell 2000 Total Return Index. This class has a minimum \$10 million investment.

The Long Only Fund

Interest	Fund Management Fee	Fund Performance Fee
Class A	1% of the capital account balance	15% of the amount by which the investor's return (inclusive of all fees and expenses incurred) exceeds the return that the investor would have received from investing the capital account balance, over five years, in the Russell 2000 Total Return Index.
Class B	0.75% of the capital account balance	18% of the amount by which the investor's return (inclusive of all fees and expenses incurred) exceeds the return that the investor would have received from investing the capital account balance, over five years, in the Russell 2000 Total Return Index.
Class C	1% of the capital account balance	25% of the amount by which the investor's return (inclusive of all fees and expenses incurred) exceeds the return that the investor would have received from investing the capital account balance, over five years, in the Russell 2000 Total Return Index.
Class D	1% of the capital account balance	15% of the amount by which the investor's return (inclusive of all fees and expenses incurred) exceeds the return that the investor would have received from investing the capital account balance, over five years, in the Russell 2000 Total Return Index. This class has a minimum \$10 million investment.

B. Billing and Deducting Fees

Please see the preceding Section A for information on the billing and deduction of fees.

C. Other Fees and Expenses

For SMA Clients:

SMA Clients will incur other fees that are not payable to the Adviser, separate and distinct from those discussed in Section A. These fees include custodian fees, and brokerage and other transaction fees (as discussed more fully in Item 12 of this Brochure).

For the Funds:

The Funds will incur other fees that are not payable to the Adviser, separate and distinct from those discussed in Section A. These fees include custodian fees, and brokerage and other transaction fees (as discussed more fully in Item 12 of this Brochure). In addition, the Funds will bear the following fees and expenses:

Organizational Fees

The Funds bear legal and other organizational expenses incurred in the formation of the Funds (the "Organizational Expenses"). With respect to the Onshore Feeder, the General Partner has, in its discretion, amortized the Organizational Expenses over a period of 60 months. Although amortization of Organizational Expenses over a 60-month period may be a divergence from United States generally accepted accounting principles ("GAAP"), the General Partner believes that such divergence, depending on the net assets of the Onshore Feeder, should not be material and amortization is preferable to requiring the initial investors to bear all of the Organizational Expenses.

The Funds also bear legal and other organizational expenses incurred in the formation of the master-feeder fund structure. Please see Item 4.B. of this Brochure for more information about this structure.

Fund Expenses

Subject to voluntary waiver or reimbursement, the Funds bear and reimburse:

- (i) the offering expenses of the Funds;
- (ii) all expenses incurred in connection with actual and potential investments, including but not limited to, travel, brokerage commissions (including "soft dollar" commissions), custodial fees, research and technical service expenses, all fees and expenses relating to the registration and qualification for sale of such securities and all transfer taxes, and legal and accounting fees;
- (iii) all filing and recording fees;
- (iv) all federal, state and local taxes payable by the Funds;
- (v) all costs, fees and expenses relating to accountings and the preparation and mailing of financial, tax and performance reports to the Funds, including the allocable share of the costs, fees and expenses relating to internal accounting and tax preparation functions;
- (vi) all fees and disbursements of attorneys, accountants and consultants for work relating to the Funds;
- (vii) any other direct fees or expenses of the Funds, including any non-routine or extraordinary expenses incurred by the Funds or Adviser on the Funds' behalf;
- (viii) all interest expense of the Funds, if any; and
- (ix) expenses incurred by the Funds as a result of complying with future legislative or administrative changes or court decisions that modify current law as may be reasonably determined to be expenses of the Funds.

Placement Fees

Subject to voluntary waiver or reimbursement, the Funds will bear or will reimburse the Fund Placement Fees associated with classes of Interests as set forth in the applicable Class Supplements to the Private Placement Memoranda. Placement fees associated with classes of Interests are set forth in the applicable Class Supplement(s). The Investment Adviser or its Affiliates may enter into

arrangements with placement agents (which may include Affiliates of the Investment Adviser) to solicit investors in the Fund, and such arrangements may provide for the compensation of such placement agents for their services at the Investment Adviser's expense.

The Funds or their Affiliates may enter into arrangements with placement agents (which may include Affiliates of the Adviser) to solicit investors in the Funds, and such arrangements may provide for the compensation of such placement agents for their services at the Adviser's expense.

D. Fees in Advance

For SMA Clients:

SMA Clients do not pay fees in advance. Each month, the Adviser will calculate the Management Fee based on the SMA Client's end of month net assets and deduct that amount from the SMA Client's account per invoice to the qualified custodian.

For the Fund:

Each month, the Adviser will calculate the Fund Management Fee based on the investor's share of the beginning of month net assets and deduct that amount from the investor's capital account.

E. Other Compensation

Neither the Adviser nor any of its supervised persons accepts compensation, other than the fees described in Section A, for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

The Adviser will advise SMA Clients and Funds that have substantially the same or similar investment strategies. These accounts will pay management and performance fees that may differ in some circumstances. (Please see Item 5.A. of this Brochure for more information on the Adviser's fees.)

As a result, the Adviser may have an incentive to favor certain accounts in the allocation of investment opportunities or otherwise treat preferentially those accounts that pay a higher fee level or greater fees overall. The Adviser may also have an incentive to recommend investments which may be riskier or more speculative than those which would be recommended under a non-performance-based fee arrangement.

The Adviser has policies and procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent such conflicts from influencing the selection and allocation of investment opportunities among clients. In addition, the Adviser will structure any performance-based fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Item 7 Types of Clients

Please see Item 4.B. of this Brochure for more information on the Adviser's clients. The chart below summarizes the Adviser's types of clients and the corresponding requirements for opening or maintaining an account. The Adviser reserves the right to reduce or waive any of the monetary requirements listed below with respect to a certain client.

Client Type	Requirements
Institutions <ul style="list-style-type: none"> • Endowments • Foundations • Outsourced Chief Investment Officers • Registered Investment Advisers • Corporations • Insurance Companies • Sovereign Entities 	SMA Clients Institutions must provide at least \$10,000,000 in assets for the Adviser's management of a separate account (subject to waiver by the Adviser). Funds Institutions must meet the Qualified Client threshold to invest in the Funds.
Quasi-Institutions <ul style="list-style-type: none"> • Family offices • Trusts 	SMA Clients Quasi-Institutions must provide at least \$10,000,000 in assets for the Adviser's management of a separate account. Funds Quasi-Institutions must meet the Qualified Client threshold to invest in the Funds.
High Net-Worth Individuals <ul style="list-style-type: none"> • Accredited Investors (As defined in Regulation D under the Securities Act of 1933) <u>AND</u> • Qualified Clients (As defined in Rule 205-3 under the Adviser's Act); <u>OR</u> • Knowledgeable Employees (As defined in Rule 3c-5 under the Investment Company Act of 1940) 	SMA Clients Individuals must provide at least \$10,000,000 in assets for the Adviser's management of a separate account. Funds Individuals must meet the qualifying definitions indicated to the left to invest in the Funds.

<p>Fund Investors*</p> <p>* Please note that the Funds (and not the Funds' investors) are the Adviser's client. This information is provided solely for purposes of completeness.</p>	<p>Investors in Class A Interests must initially invest at least \$1,000,000 (unless the investor meets the Qualified Client threshold).</p> <p>Investors in Class B Interests must invest at least \$10,000,000. Investors must also meet the applicable qualifications indicated above.</p> <p>Investors in Class C Interests must initially invest at least \$1,000,000 (unless the investor meets the Qualified Client threshold).</p> <p>Investors in Class D Interests must invest at least \$10,000,000. Investors must also meet the applicable qualifications indicated above.</p>
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Item 8 **Methods of Analysis, Investment Strategies, and Risk of Loss**

A. **Methods of Analysis and Investment Strategies**

The Adviser's investment objective is to achieve long-term outperformance by investing in a highly concentrated portfolio of publicly traded equity securities. The Adviser generally seeks to invest in quality small and mid-capitalization stocks (generally with market capitalization below \$6 billion at the time of purchase) at a time when their businesses are misunderstood, and their stocks are oversold and substantially undervalued. The Adviser anticipates that investment opportunities will exist when a company's industry is in a downturn and/or there is a transitional or execution-related problem specific to the company. In the opinion of the Adviser, these temporary headwinds depress and coil the key drivers of company fundamentals and ultimately, stock performance.

To achieve its objective, the Adviser seeks to invest in a portfolio of equity securities that, in its opinion, possess fundamental investment value. To establish this fundamental value, the Adviser engages in deep primary qualitative research, supported by quantitative analysis. The Adviser may trade, buy, sell, sell short, and otherwise acquire, hold, dispose of, and deal in, U.S. and non-U.S. equities and equity-related securities, and such other instruments, rights and interests as may be determined by the Adviser from time to time.

Investing in securities involves risk of loss that clients and investors in the Funds should be prepared to bear.

B. **Material Risks**

The Adviser's investment strategy and methods of analysis entail a degree of risk and are suitable only for sophisticated investors who fully understand and can bear the risks associated with the investment. This includes risks with respect to:

- | | |
|-----------------------------|---|
| • Illiquidity | • Derivatives |
| • Market conditions | • Concentrated portfolios |
| • Valuation | • Non-U.S. securities |
| • Active trading | • Price fluctuations |
| • Cash management | • Smaller capitalization issuers |
| • Equity securities | • Tax matters |
| • Pandemic/Natural Disaster | • Trading & Operations |
| • Cybersecurity | • Financial Institution Risk; Distress Events |

The Adviser will actively manage its clients' accounts and may purchase and sell securities without regard to the length of time held. Active trading may have a negative impact on investment performance by increasing brokerage and other transaction costs and taxes.

With respect to the Funds, the Private Placement Memoranda provided to investors describe the risks set forth above in greater detail. In addition to the stated risks, there are other risks associated with investing in the Funds that are described in the Private Placement Memoranda.

C. Particular Type of Security

The Adviser will primarily recommend investments in equity securities and may recommend short positions and equity derivatives in the Master Fund. The value of these investments generally will vary with the performance of the issuer and movements in the equity markets. As a result, clients may suffer losses if performance diverges from the Adviser's expectations or if equity markets generally move in a single direction and the Adviser has not hedged against such a general move. Clients also may be exposed to risks that issuers will not fulfill contractual obligations, such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

The Adviser will also recommend investment in smaller capitalization companies, potentially including micro-capitalization companies. Investments in smaller capitalization companies often involve significantly greater risks than the securities of larger, better-known companies because they may lack the management expertise, financial resources, product diversification, and competitive strengths of larger companies. The prices of the securities of smaller companies may be subject to more abrupt or erratic market movements than those of larger, more established companies, as these securities typically are traded in lower volume and the issuers typically are more subject to changes in earnings and prospects. In addition, when selling large positions in small capitalization securities, the seller may have to sell holdings at discounts from quoted prices or may have to make a series of small sales over a period of time.

Item 9 Disciplinary Information

A. No information applicable to this Item.

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

A. Broker-Dealer

Neither the Adviser nor its management persons are registered or have any application pending to register as a broker-dealer or a registered representative of a broker-dealer.

B. CFTC Registration

Neither the Adviser nor its management persons are registered or have any application pending to register with the Commodity Futures Trading Commission (the "CFTC") as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing.

C. Related Entities

Philip C. Timon and David C. Ferreira, are management persons of the Adviser, and the sole owners and managing members of Owls Nest Partners, LLC (the "Holding Company"). The Holding Company is the 100% owner of the Adviser and General Partner. Please see Item 4.B. of this Brochure for a chart illustrating these relationships. In addition, Mr. Timon and David Ferreira, a management person of the Adviser, serve as members of the Board of Directors of the Master Fund, Long Only Fund, Master Fund Offshore Feeder and Long Only Offshore Feeder.

The Adviser does not believe that any conflicts of interest exist as a result of these affiliations except for the conflicts of interest otherwise discussed in this Brochure. The Adviser does not have any other affiliations with persons or entities in the financial industry.

D. Other Investment Advisers

The Adviser does not recommend or select other investment advisers.

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

A. Code of Ethics

The Adviser is an SEC-registered investment adviser and has adopted a Code of Ethics (the “Code”). The Code incorporates the following fiduciary principles that all supervised persons of the Adviser are expected to uphold:

- Supervised persons must place the interests of the Clients first and avoid serving their own personal interests or the Adviser’s interests ahead of the interests of clients;
- The Adviser’s supervised persons must conduct all personal securities transactions in a manner consistent with the Code and must avoid any actual or potential conflicts of interest or abuse of any supervised person’s position of trust and responsibility;
- Supervised persons must not take inappropriate advantage of their positions;
- Information concerning the identity of securities and financial circumstances of clients, including the Funds’ investors and information regarding companies in which the Adviser is considering making an investment on behalf of clients, must be kept confidential;
- Independence in the decision-making process must be maintained at all times; and
- Supervised persons must at all times comply with applicable federal and state securities laws and regulations.

In addition, the Adviser has adopted formal policies and procedures relating to (1) insider trading, (2) privacy of personal financial information, (3) “pay to play,” and (4) anti- money laundering regulations.

Further, the Adviser has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable. These include restrictions on personal trading imposed by the Code, requirements to pre-clear certain types of investment transactions, reporting and monitoring of employee personal trading activity, and monitoring for any transactions or trading patterns by the Adviser’s supervised persons for any actual or perceived conflicts of interest.

Clients or investors and prospective clients or investors can request a copy of the Code by contacting the Adviser at the email address or telephone number listed on the first page of this Brochure.

B. Interested Transactions

The Adviser employs a specific strategy with respect to the management of assets, as discussed in Item 8.A. of this Brochure. Prospective clients may pursue this strategy by investing in the Funds or by opening a separately managed account. For some prospective clients, it may be preferable to invest in the Funds, which have lower entry requirements (see Item 7 of this Brochure) and offer lower, shared operating expenses (see Item 4.C. of this Brochure).

Otherwise, neither the Adviser nor its related persons recommend to clients, or buy or sell for client accounts, securities in which the Adviser or its related persons have a material financial interest. Further, the Adviser has policies and procedures in place to monitor its supervised persons’

transactions and trading patterns for any actual or perceived conflicts of interest.

C. Investing in the Same Securities

Pursuant to the Adviser's Code of Ethics, the Adviser and its related persons may not invest in the same securities (other than shares of mutual funds) that the Adviser or its related persons recommend to clients.

D. Timing of Same Securities Transactions

Pursuant to the Adviser's Code of Ethics, the Adviser and its related persons may not invest in the same securities (other than shares of mutual funds) that the Adviser or its related persons recommend to clients.

Item 12 Brokerage Practices

A. Selection of Broker-Dealers

The Adviser has engaged a prime broker and outsourced trading service for the firm. The Adviser has adopted policies and procedures to ensure that its outsourced trading practices are fair to all clients, that no particular client is advantaged or disadvantaged over any other, and that best execution is obtained for each client. The Adviser will maintain a list of approved broker-dealers, which the Portfolio Manager and Best Execution Committee will review periodically and modify as needed. Several criteria are considered when selecting brokers-dealers for the list, including:

- Broker's depth of market knowledge and liquidity;
- Broker's level of responsiveness and service level;
- Quality, comprehensiveness, and frequency of available research and related services;
- Access to key personnel;
- Ability to achieve prompt and reliable executions at favorable prices;
- Competitiveness of commission rates in comparison with other brokers;
- Ability to effect transactions with a large block or other complicating factors; and
- Availability of the broker to execute possible difficult transactions in the future.

Research and Other Soft Dollar Benefits

The Adviser will allocate some or all of the brokerage business generated by accounts under its management to brokers-dealers who provide brokerage and research services. Although transactions directed to broker-dealers who provide such brokerage and research services may result in higher commissions, the Adviser believes that such commissions are reasonable in relation to the value of the services provided.

The Adviser will limit its use of "soft dollars" to those research and brokerage services within the meaning of the Section 28(e) Safe Harbor of the Securities Exchange Act of 1934. Although Section 28(e) is limited to the use of commissions to compensate brokers for research and brokerage services, the Adviser will use, in addition to commissions, mark-ups or other payments to compensate brokers for those services.

Because the Adviser employs substantially the same strategy for all Funds and SMA Clients, in the Adviser's opinion, all clients share equally in the benefits of the soft dollar credits generated regardless of the execution venue. Clients should be aware that when the Adviser uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Adviser also receives a benefit, because it does not have to produce or pay for the research, products, or services. Further, the Adviser may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other product or services, rather than on its clients' interest in obtaining most favorable execution.

Brokerage for Client Referrals

In selecting broker-dealers, the Adviser does not consider whether it or its related persons receive client referrals from a broker-dealer or third party.

Directed Brokerage

The Adviser does not routinely recommend, request, or require that a client direct it to execute transactions through a specified broker-dealer; however, the Adviser will permit a client to direct brokerage upon request. By directing brokerage, the Adviser may be unable to achieve best execution of client transactions, and this may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because the Adviser may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

B. Aggregation Policy

The aggregation or blocking of client transactions allows the Adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to Clients.

The Adviser's policy is to aggregate client transactions where possible. The Adviser will sometimes purchase or sell the same securities at the same time for multiple Clients. When this occurs, it is often advantageous to aggregate the securities of multiple Clients into one trading block for execution. If portfolio securities are purchased or sold in an aggregated transaction with the securities of other Clients, all Clients will receive the same execution price, and if the aggregated purchase or sale involves several executions to complete the transaction, Clients will receive the average price paid or received for the aggregated transaction.

Item 13 **Review of Accounts**

A. Periodic Reviews

Philip C. Timon, Portfolio Manager of the Adviser, monitors client accounts on a regular basis to ensure compliance with the accounts' investment strategy and performance objectives. The Adviser has portal access to all client accounts through systems provided by the Adviser's back office (for all clients), as well as the Funds' administrator (for the Funds). Typically, at least daily, the Adviser will also receive multiple trade (T+1) reports in order to closely monitor its clients' holdings.

B. Other Reviews

If a client's financial situation changes in some material way, the Adviser will perform more frequent reviews. More frequent reviews may also be triggered by client request, changes in market conditions, new information about an investment, changes in tax laws, or other important changes.

C. Reports For SMA Clients

SMA Clients will receive a monthly statement from the Adviser stating the performance and holdings of their portfolio. The Adviser will also provide a brief quarterly holdings report, stating adjustments to the portfolio and themes that have been explored or are being explored, and a more detailed semi-annual letter, discussing each holding of relevance (winners and losers).

D. Reports For the Funds:

Investors will receive a monthly statement from the Funds' administrator stating the net asset value (NAV) of their investment in the Funds and a monthly summary report from the Adviser showing the Funds' holdings. The Adviser will also provide a detailed quarterly letter highlighting adjustments to the portfolio and themes that have been explored or are being explored, and holdings of relevance (winners and losers).

In addition, the Funds' independent accountant will prepare annual audited financial statements for delivery to the Funds' investors. Marcum LLP, located at 1601 Market Street, 4th Floor, Philadelphia PA 19103, will serve as the independent auditor for the Funds. Marcum LLP will audit the financial statements of the Funds for its fiscal year ending December 31 and will prepare Federal and State Income tax returns for the Funds' year end.

Item 14 **Client Referrals and Other Compensation**

A. Other Compensation

The Adviser does not receive an economic benefit from any non-client for providing investment advice or other advisory services to the Adviser's clients.

B. Client Referrals

The Funds or their Affiliates may enter into agreements with placement agents for the purpose of soliciting investors in the Funds (please see Item 5.C. of the Brochure for more information on Placement Fees). Placement fees associated with classes of Interests are set forth in the applicable Class Supplement(s). The Investment Adviser or its Affiliates may enter into arrangements with placement agents (which may include Affiliates of the Investment Adviser) to solicit investors in the Fund, and such arrangements may provide for the compensation of such placement agents for their services at the Investment Adviser's expense. All placement agents will be broker-dealers who are appropriately registered with the Financial Industry Regulatory Authority (FINRA) and the SEC. The Adviser, Funds and/or Affiliates have entered into a solicitation agreement with Stonegate Capital Markets, Inc. and Profor Securities, LLC.

Item 15

Custody

The Adviser does not have physical custody of any client assets; however, under Rule 206(4)-2 of the Advisers Act, the Adviser is deemed to have custody by virtue of the Adviser's authorization to deduct fees directly from its client accounts. Clients will receive account statements from their qualified custodian, and they should carefully review those statements. The Adviser urges clients to compare the statements they receive from the qualified custodian with the statements they receive from the Adviser.

Prior to having fees deducted via a qualified custodian, the Adviser will:

1. Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
2. Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account; and
3. Send the client an itemized invoice including any formulae used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

In addition, the Adviser has engaged an independent, certified, public accountant, Marcum LLP, located at 1601 Market Street, 4th Floor, Philadelphia PA 19103, to serve as the Funds' independent auditor. The Funds are subject to an annual audit by Marcum LLP. The Adviser delivers the Funds' audited financial statements, prepared in accordance with GAAP, to the Funds' investors within 120 days of the end of the Funds' fiscal years.

The Adviser has also engaged SS&C Technologies, Inc. (the "Administrator"), located at 80 Lamberton Road, Windsor, CT 06095, to serve as the Funds' administrator. The Administrator, an independent entity, reviews all fees, expenses, and capital withdrawals from investor accounts prior to forwarding them to the qualified custodian with the Administrator's approval for payment.

Further, the Adviser sends invoices or receipts to the Administrator which describe the amount of fees (including any formulae used to calculate the fees, the time period covered by the fees and the amount of assets under management on which the fees were based), expenses, or capital withdrawals so that the Administrator can verify that the payment of fees, expenses, or capital withdrawals is in accordance with the Funds' Private Placement Memoranda and any applicable statutory requirements.

Item 16 **Investment Discretion**

The Adviser accepts discretionary authority to manage securities accounts on behalf of clients. Before assuming this authority, the Adviser obtains an executed investment management agreement from the client. The Adviser's authority remains subject to the restrictions set forth in the applicable investment management agreement.

Item 17 Voting Client Securities

A. Proxy Policies and Procedures

The Adviser accepts the authority to vote client securities. Clients may direct votes in a particular solicitation by written request to the Adviser. In determining how to vote on behalf of a client, the Adviser considers the views of management, the economic interests of the account, and whether the proposal will have a material effect on the investment strategy pursued. In determining whether a proposal serves the best interests of an account, the Adviser will consider several factors, including, but not limited to:

- specific principles outlined by the client,
- the economic effect of the proposal on shareholder value,
- the threat posed by the proposal 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.

If a material conflict of interest over proxy voting arises and the Adviser determines that the above policy does not adequately address the conflict of interest, the Adviser will notify the client of the conflict and request his consent to the proposed response to the proxy solicitation. If the client consents to the proposed response or fails to respond to the request within a reasonable period of time, the Adviser will vote the proxy as described above. If the client objects to the proposed response, the Adviser will vote the proxy as directed by the client.

Clients and investors in the Funds can obtain a copy of the Adviser's proxy voting policies and procedures, as well as information on how the Adviser voted the account's proxies, by contacting the Adviser at the email address or telephone number listed on the first page of this Brochure.

B. Proxy Authority

The Adviser accepts the authority to vote client securities. The Adviser is notified by the qualified custodian when an issuer whose securities are held by a client issues a proxy. If a client wishes to direct his vote in a particular solicitation, he can do so by written request to the Adviser.

Clients and investors in the Funds can contact the Adviser with questions about a particular solicitation at the email address or telephone number listed on the first page of this Brochure.

Item 18

Financial Information

There is no financial condition that is reasonably likely to impair the Adviser's ability to meet contractual commitments to its clients. The Adviser has not been subject to a bankruptcy petition within the past 10 years.