

# Pemigewasset Capital LLC

## Client Brochure

*This brochure provides information about the qualifications and business practices of Pemigewasset Capital LLC (the Adviser). If you have any questions about the contents of this brochure, please contact us at (203) 254-2817 or by email at: [skingston@pemipartners.com](mailto:skingston@pemipartners.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 Pemigewasset Capital is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Pemigewasset Capital's CRD number is: 120565*

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*Registration does not imply a certain level of skill or training.*

## **Item 2: Material Changes**

This brochure dated June 15, 2012 includes the following material changes. In Items 4A and 4E, the firm's assets under management have been updated to reflect their value as of May 31, 2012. Items 11C and 19 have been added.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Pemigewasset Capital LLC is an investment adviser whose place of business is 107 John Street, 3<sup>rd</sup> Floor, Southport, Connecticut. Pemigewasset Capital LLC (“the Adviser”) is a Delaware limited liability company (LLC) which has been in business since 2002. It has a December 31 fiscal year. The principal owner is James B. Vose.

The Adviser provides advisory services on a discretionary basis to clients which include pooled investment vehicles intended for sophisticated individual investors and institutional investors.

The Adviser’s funds under management invest primarily in equity securities utilizing a long/short strategy.

As of May 31, 2012 the Adviser had approximately \$38,842,203 in client assets under management.

### **B. Types of Advisory Services**

Pemigewasset Capital LLC serves as General Partner for the private investment partnership of Pemigewasset Partners L.P. and as Investment Manager for Pemigewasset Offshore Ltd., a Bermuda corporation. Pemigewasset Partners L.P. and Pemigewasset Offshore Ltd (the “Funds”) are long/short equities funds which target attractively valued stocks with long term growth potential. Both Funds aim to be “a fund for all seasons” by providing consistent, absolute returns regardless of market conditions, and utilize a variety of disciplines to mitigate risk including: avoiding the use of leverage, limiting individual position sizes, and maintaining the portfolio’s overall net exposure within prescribed bounds.

### **C. Client Tailored Services and Client Imposed Restrictions**

Although the Adviser may make different investments on behalf of each of the Funds, the Adviser does not tailor its advisory services to the individual needs of investors in the Funds. Investors in the funds do not impose restrictions on our investment process beyond what is stated in the offering circulars for the Funds.

The Adviser will not be engaged as an investment adviser to advise prospective investors in the Funds as to the appropriateness of investing in the Funds, and the Adviser will not receive any compensation for doing so.

### **D. Wrap Fee Programs**

The Adviser does not participate in wrap fee programs.

## **E. Amounts Under Management**

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$38,842,203	N/A	5/31/2012

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

The Adviser charges a management fee to and receives performance-based compensation from the Funds it manages. The management fee is generally equal to 1% to 1.5% per annum of assets under management, of Pemigewasset Partners L.P. and Pemigewasset Offshore Ltd., respectively, and the performance-based compensation is generally equal to 20% of the net profits of the applicable Fund per annum, subject to a high water mark. The Adviser has the exclusive right to waive or reduce fees for any partner or investor in the Funds.

### **B. Payment of Fees**

Fees are calculated and paid as fully described in the offering materials for each Fund, but, generally, are deducted from an investor's limited partnership interest or investment in the Funds quarterly in advance, and are not billed separately.

### **C. Clients Are Responsible For Third Party Fees**

All other fees and expenses related to the operations of the Funds are fully described in the offering materials for each fund.

### **D. Prepayment of Fees**

Offering documents provide for management fees to be paid quarterly in advance, and that such fees are prorated for partial quarters.

### **E. Outside Compensation for the Sale of Securities to Clients**

Not applicable.

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

The Adviser is entitled to receive performance-based compensation equal to 20% of the net profits of each of the Funds it manages. Such compensation is made annually and is subject to a high water mark.

## **Item 7: Types of Clients**

The Adviser's clients consist of the Funds.

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

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

The Adviser's investment process is based on fundamental, bottom up research of individual companies and industries with macro and technical overlays. The Adviser seeks to identify investment opportunities in companies with attractive growth opportunities whose stocks are reasonably valued. The approach is discretionary and not limited to industry sector or market capitalization weightings, or geographic distribution.

The Adviser's primary focus is to invest in equity and related securities, however, its investments may extend to other asset classes such as options, Exchange Traded Funds (ETFs), warrants, and fixed income securities.

The Adviser can also engage in margin borrowing, as opportunities dictate, to seek to reduce risk or increase return. The Adviser will sell securities short in such circumstances as it believes offer appropriate investment opportunities. Depending upon conditions, the Adviser may also make use of various hedging techniques that might include, but are not limited to, short sales, trading exchange-traded funds, stock options, and options on stock market indices.

Any investment in securities involves a risk of loss. The Adviser's Funds may be deemed to be a highly speculative investment and are not intended as a complete investment program. They are designed only for sophisticated persons who are able to bear the economic risk of the loss of their investment in the Funds and who have limited need for liquidity.

## **B. Material Risks Involved**

The following risks should be carefully evaluated before making an investment in the Funds. Prospective investors in the Funds should also review the more specific risk factors described in the applicable Fund's offering materials.

### *Market Risks*

The profitability of a significant portion of the Adviser's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Adviser will be able to predict accurately these price movements. Although the Adviser may attempt to mitigate market risk through the use of long and short positions or other methods, there may be a significant degree of market risk.

### *Non-Diversification*

The Funds' portfolios may not be diversified among geographic areas or types of securities or among a wide range of issuers or industries. Accordingly, the investment portfolios of the Funds may be subject to more rapid change in value than would be the case if the Funds were required to maintain a wide diversification among industries, geographic areas, types of securities and issuers.

### *Short Sales*

Short selling, or the sale of securities not owned by the Fund, necessarily involves certain additional risks. Such transactions expose the Funds to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Funds in connection with a short sale would need to be returned to the securities lender on short notice. If a request for return of the securities occurs at a time when other short sellers of the securities are receiving similar requests, a "short squeeze" may occur, wherein the Funds might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with securities purchased on the open market, possibly at prices significantly in excess of the proceeds received earlier.

### *Small to Medium Capitalization Companies*

The Funds may invest a portion of their assets in the stocks of companies with small-to medium-sized market capitalizations. While the Adviser believes that such investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, generally involve higher risks than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, they may be less liquid than larger capitalization stocks.

### *Options*

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

### *Derivatives*

While it is not anticipated that the Funds will invest substantially in derivatives, it should be noted that swaps and certain options and other derivative or synthetic instruments in which the Funds may invest are subject to the risk of nonperformance by the counterparties, to the instruments, including risks relating to the financial soundness and creditworthiness of the counterparties.

### *Lack of Liquidity*

Pooled investment assets may, at any given time, include securities and other financial instruments or obligations which are thinly-traded or for which no market exists and/or which are restricted as to their



transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to accurately value any such investments.

### **Item 9: Disciplinary Information**

Not applicable.

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

#### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Not applicable.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser**

Not applicable.

#### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Not applicable.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Not applicable.

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

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

The Adviser maintains a code of ethics which also includes a framework for any personal trading activity. With respect to the Adviser's code of ethics, it is the responsibility of all employees to ensure that the Adviser conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties to the Adviser's clients. Employees of the Adviser have a duty to place the interests of clients first, and to refrain from having outside interests that conflict with the interests of its clients.

With respect to personal trading, first, an employee shall, no later than 30 days after the employee begins its relationship with the Adviser, provide the Adviser with brokerage account statements and complete and submit a List of Personal Investment Accounts. Following the completion of each calendar year, employees must resubmit the Personal Securities Transaction Report.

All trades by employees shall be pre-approved (or disapproved) in which employees have a direct or indirect beneficial interest. A record of each pre-approval (or disapproval) shall be evidenced by a duly completed and executed Personal Securities Trading Pre-Approval Request and Authorization Form maintained in the Adviser's personnel files.

Notwithstanding the approval by the Chief Compliance Officer (the "CCO") of any securities transaction(s), the following restrictions shall apply to the approved securities transaction(s):

**1. Restricted Securities.** No employee shall invest or trade in securities included on the Adviser's restricted securities list.

**2. Black-Out Period.** No employee may purchase a security within three (3) calendar days before or after any client account intends to buy or sell the same or related security. No employee may sell a security within three (3) calendar days before or after any client account intends to buy or sell the same or a related security. Employees are restricted from buying or selling stocks in which a client portfolio is currently active. The CCO may grant exemptions to this restriction where strict adherence would result in prejudice to a client's interest (for example, when an employee has sold a security and, before the expiration of three calendar days, external events make it important for a client to sell the same or a related security quickly). In no event, however, may any employee execute a personal transaction in a security on any day during which there is pending for any client any order in the same security until the order is executed or withdrawn. This rule applies whether or not the transaction has already been cleared (e.g. earlier in the day than the time at which an order was first placed for a client).

**3. Short-Term Trading.** No employee may purchase and subsequently sell a security within any thirty (30) day period, unless such transaction is approved in writing by the CCO. The CCO shall consider the totality of the circumstances, including: the frequency of short-term trading by the Adviser employee, whether the trade would involve a breach of any fiduciary duty; whether it would otherwise be inconsistent with applicable laws and the Adviser's compliance policies and procedures; and whether the trade would create an appearance of impropriety. Based on the CCO's consideration of these issues, the CCO shall have the sole authority to grant or withhold permission to execute the trade.

Upon request, the Chief Compliance Officer will provide a client or prospective client with a copy of the Adviser's Code of Ethics. To obtain this information, please write to:

Samuel S.R. Kingston  
Chief Compliance Officer  
Pemigewasset Capital  
3<sup>rd</sup> Floor  
109 John Street  
Southport, CT 06890

## **C. Investing Personal Money in the Same Securities as Clients**

The principal and owner of the Adviser, James B. Vose, also manages an investment vehicle in which he and members of his family are invested, Vose Partners. Although Vose Partners invests principally in securities issued by unregistered investment vehicles (e.g., hedge funds) and privately held companies, it also holds a small number of securities issued by companies whose securities are also held by the Funds. In certain situations, this may give Mr. Vose an incentive to use trades by the Funds to benefit Vose Partners, or allocate limited investment opportunities to Vose Partners. Notwithstanding any incentive to the contrary, Mr. Vose has a fiduciary duty to the Funds to put their interests above his own, and as such will not disadvantage the Funds or any client of the Adviser for his benefit or the benefit of Vose Partners. In addition, trades by Vose Partners are subject to the policies and procedures applicable to employees of the Adviser, which policies and procedures prohibit trading in securities in advance of trades by the Funds or any client of the Adviser.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Adviser has full investment discretion with respect to the initiation of all portfolio securities transactions for the Funds as well as full authority to select broker-dealers to execute such transactions. National Financial Services LLC (“the “Prime Broker”) serves as the Prime Broker and custodian for the Funds. The Prime Broker has certain administrative responsibilities, including the issuance of account statements and information with respect to securities transactions affected through other broker-dealers. The Adviser may in its discretion change its selection of a prime broker and/or custodian for any Fund.

The Adviser may also utilize a number of additional broker-dealers to effect transactions for the Funds, which may include the Prime Broker. Broker-dealers are selected based upon a variety of factors, including one or more of the following: the amount of commission, quality of execution, expertise in particular markets and/or securities, reputation, experience, financial stability, quality of service, familiarity both with investment practices in general and the techniques employed with respect to a Fund, research and analytic services, and clearing and settlement capabilities, subject at all times to principles of best execution.

#### ***1. Research and Other Soft-Dollar Benefits***

In addition to the foregoing principles of broker-dealer selection, the Adviser intends to allocate a portion of the Funds’ brokerage business to brokers on the basis of certain considerations, including but not limited to the investment research provided by such firms, the availability of margin or other leverage, or other special execution capabilities or other services provided to the Funds. In so allocating brokerage, the commissions a Fund will pay to such broker-dealers will not necessarily represent the lowest commission rate available, but will reflect the Adviser’s evaluation of the research and other brokerage related services supplied by such brokers and which benefit a Fund, either alone or together with the other clients of the Adviser. In each case, the Adviser will make a determination that the amount of any increased commission costs on account of such research or other services is reasonable relative to the value of services so provided, in accordance with section 28(e) under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Section 28(e) of the Exchange Act provides a “safe harbor” to investment managers who use commission dollars of their advisory accounts to obtain investment research, brokerage and other services that provide

lawful and appropriate assistance to the manager in performing investment decision-making responsibilities, provided that the amount of any increased commission costs on account of such research or other services is reasonable relative to the value of the services so provided. The Adviser intends to utilize allocations of commission dollars to pay for products or services that qualify as “research and brokerage services”, within the meaning of Section 28(e), pursuant to arrangements that meet the other requirements of that Section.

The research obtained through a Fund’s brokerage allocations, whether or not directly useful to it, may be useful to the Adviser in connection with services rendered to such Fund, another Fund or to other investment vehicles or accounts managed by the Adviser or its affiliates. Similarly, research obtained by the Adviser or its affiliates for commissions paid to brokers in the course of managing other investment vehicles or accounts may be useful to the Funds and such other investment vehicles or accounts. The Adviser, in considering the reasonableness of brokerage commissions paid by the Funds, will not attempt to allocate the relative costs or benefits of research as between the Funds and its other investment vehicles or accounts except in limited circumstances where appropriate.

## ***2. Brokerage for Client Referrals***

Broker dealers, including firms that serve as prime brokers to client accounts, may, from time to time, permit the Adviser to participate in capital introduction programs with respect to the Funds and/or recommend the Funds as an investment to clients of the broker dealers. Portfolio transactions may be placed with firms who have made such recommendations or provided capital introduction opportunities, if otherwise consistent with seeking best execution. In no event will the Adviser select a broker or dealer as a means of remuneration for recommending the Funds or any other private fund managed by the Adviser (or an affiliate) or affording the Funds with the opportunity to participate in capital introduction programs.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

Not applicable. The adviser has full discretion over all brokerage selection.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

Block trading (bunching transactions) is permitted where the following conditions are met:

Orders of two or more clients may be bunched only if the Adviser has determined, on a client by client basis, that the securities order is a) in the best interests of each client participating in the order; b) consistent with the Adviser’s duty to obtain best execution; and c) consistent with the terms of the offering memorandum of each participating client. In addition, the terms negotiated for the bunched transaction will apply equally to each participating client. The allocation of securities purchased or sold in a bunched trade must be made in accordance with the Adviser’s allocation procedures. The price of the securities purchased or sold in a bunched transaction shall be at the average share price for all transactions of the clients in that security on a given day, with all transaction costs shared on a pro rata basis.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

The Adviser reviews the portfolios of the Funds daily.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Not applicable.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Limited partners and investors in the Funds managed by the Adviser receive a written report of the applicable Fund's performance, an overview of its major holdings, and a performance attribution analysis monthly. Limited partners in Pemigewasset Partners receive a written statement of their capital account balances at the end of each quarter, and yearly audited financial statements of the Fund along with Schedule K-1 for tax reporting purposes. Investors in Pemigewasset Offshore Ltd. receive a written statement of their shareholding at the end of each month.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Not applicable.

### **B. Compensation to Non –Advisory Personnel for Client Referrals**

The Adviser may, on occasion, compensate individuals or entities for client referrals. The Adviser may also employ solicitors to whom it will pay cash or a portion of the fees paid by clients referred by those solicitors. In such cases, this practice will be disclosed in writing to the client and the Adviser will comply with the other requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended.

The Adviser currently retains Emcor Securities and Silver Leaf Partners, LLC to introduce potential clients to the Funds. The Adviser pays Emcor and Silver Leaf Partners, LLC a percentage of management and performance fees earned by the Adviser from clients referred by Emcor and Silver Leaf Partners, LLC.

## **Item 15: Custody**

The Advisor may be deemed to have custody of client funds or securities under the SEC's "Custody Rule".

However, certain provisions of the Rule exempt the Advisor from meeting certain requirements of the Rule. Moreover, the Advisor has not and will not have physical custody of any client assets.

## **Item 16: Investment Discretion**

The Advisor has full investment discretion subject to the terms stated in the offering materials of the Funds.

## **Item 17: Voting Client Securities (Proxy Voting)**

Unless otherwise directed, it is agreed between the Advisor and a client that the Advisor will have the responsibility of voting proxies received by the Advisor on behalf of its clients. The Advisor has a written policy in place regarding the voting of proxies that is designed to ensure that the Funds fulfill their fiduciary obligation to the limited partners or shareholders. The written policies are designed to address a wide range of common business and social issues often contained in proxy statements and vote them in the best interest of the Funds. Proxy proposals received by the Advisor and designated as “For” or “Against” in the Advisor’s proxy voting policy will be voted by the Advisor in accordance with the Advisor’s Proxy Voting Policy. Proxy proposals received by the Advisor and designated as “Case by Case” (or not addressed) in the Advisor’s proxy voting policy will be thoroughly reviewed by the Advisor and voted in the best interests of the client.

In accordance with *SEC Rule 204-2 adopted under the Advisers Act*, the Advisor will document the basis for the Advisor’s voting decisions. The Advisor will provide upon request how the Advisor has voted a specific proxy item. All requests must identify the security and the item(s) and be submitted to the Advisor in writing.

Upon request, the Chief Compliance Officer will provide a client or a prospective client with a copy of the Advisor’s Proxy Voting Guidelines. To obtain this information, please write to:

Samuel S.R. Kingston  
Chief Compliance Officer  
Pemigewasset Capital  
3<sup>rd</sup> Floor  
109 John Street  
Southport, CT 06890

## **Item 18: Financial Information**

### **A. Balance Sheet**

Not applicable since the Advisor does not require or solicit prepayment of fees six months or more in advance.

## **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

The Adviser is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients..

## **C. Bankruptcy Petitions in Previous Ten Years**

Not applicable.

# **Item 19: Requirements For State Registered Advisers**

## **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

James B. Vose was born in 1952. Mr. Vose graduated from Bucknell University in 1975 with a BA degree in Economics. He earned an MBA from the Darden Graduate School of Business at the University of Virginia in 1983. He has been Managing Member and Portfolio Manager of Pemigewasset Capital LLC since he founded the firm in 2002. Prior to founding Pemigewasset Capital LLC, he was General Partner and Portfolio Manager of Pemigewasset Partners LP, which he founded in 1994. Mr. Vose also serves as General Partner of Vose Partners, a family office which he founded in 1987, and as President and Treasurer of Vose Foundation Inc. a 501(c)(3) private foundation which he founded in 1986. Mr. Vose began his investment career as a technology analyst at Dawson-Henry Capital Management in 1983.

Samuel S.R. Kingston was born in 1972. Mr. Kingston graduated from Connecticut College with a BA in Economics and Architectural Studies in 1994. He has been Managing Member and Co-Portfolio Manager of Pemigewasset Capital, LLC since 2005. He started his career working for his family business, which is now known as Agrícola Santa Sara S.A. ([www.santasarasa.cl](http://www.santasarasa.cl)) in Casablanca, Chile. In 1995, he returned to the United States and began work as an analyst covering PC Hardware and Enterprise Hardware at Smith Barney. From 1997 to 2001, he was an Associate Analyst covering the Communications Equipment sector at Donaldson, Lufkin & Jenrette where he was ranked in the top 10 of 120 total associates and received multiple honorable mentions in the Institutional Investor poll. From 2001 to 2002, he was a Vice President at Dresdner Kleinwort Wasserstein covering communications equipment and optical component companies. From 2002 to 2004, he was an analyst/portfolio manager at Washington Asset Management, the former in-house manager of Schneider USA, where he served as a technology analyst for the firm's flagship US fund, and as portfolio manager of the Washington Select Fund. Mr. Kingston has served on the Board of Directors for Agrícola Santa Sara S.A. from 2005 to the present.

Gib Dunham was born in 1972. Mr. Dunham graduated from Dartmouth College with a BA in Government in 1994. He has been a Senior Analyst and Chief Marketing Officer of Pemigewasset Capital, LLC since 2011. In 1994 he started his career working for Bear Stearns as an investment banking Analyst in their telecommunications group. From 1996 to 1999, he was a Research Analyst and Co-Portfolio Manager at Lipper & Company. While at Lipper Mr. Dunham researched companies in the Tech,

Telecommunications and Media sectors while also co-managing a small capitalization fund. From 1999 to 2003, he was a Vice President at Emigrant Capital. At Emigrant he sourced, evaluated and executed investments for a \$150 million private equity fund. From 2003 to 2011, he was a Research Analyst and Portfolio Manager at Beck Mack and Oliver.

**B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

James B. Vose is the General Partner of Vose Partners. Vose Partners is an investment business that manages assets for the Vose family. Mr. Vose has been the General Partner of Vose Partners since 1987. Each month Mr. Vose devotes 1 hour of time (outside of market hours) to Vose Partners.

Samuel S.R. Kingston is a Director for Agricola Santa Sara S.A. Agricola Santa Sara S.A. is a diversified agricultural business. Mr. Kingston has been a director of Agricola Santa Sara S.A. since 2005. Each month Mr. Kingston devotes 1 hour of time per month (outside of market hours) to Agricola Santa Sara S.A.

**C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

The Adviser receives performance-based compensation from the Funds it manages. Such performance-based compensation is generally equal to 20% of the net profits of the Fund per annum, subject to a high water mark. The Adviser has the exclusive right to waive or reduce fees for any partner or investor in the Funds. Receipt of performance-based compensation from the funds gives the Adviser an incentive to direct the Funds to make more speculative and risky investments that it would if the Adviser were entitled to no such compensation.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

Not applicable.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Not applicable.