

Item 1. Cover Page

Brochure of

REGIS
MANAGEMENT COMPANY

Regis Management Company, LLC
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This brochure provides information about the qualifications and business practices of Regis Management Company, LLC (“Regis”). If you have any questions about the contents of this brochure, please contact us at (650) 838-1030 or sgo@regisllc.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 Regis also is available on the SEC’s website at www.adviserinfo.sec.gov. Although Regis is a Registered Investment Adviser, registration does not imply a certain level of skill or training.

Item 2. Material Changes

Since the last annual updating amendment in March 2017, this Brochure has been updated to reflect Adrienne Fioretti as the Firm's Chief Compliance Officer. Steven Go remains the Firm's Chief Operating Officer.

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Item 4. Advisory Business

Regis is a Delaware limited liability company that has been in business since April 2003. It serves as the general partner of investment limited partnerships and serves as the investment adviser to other accounts. Regis' controlling owners are Robert F.X. Burlinson and the Freidenrich Family Partnership. Robert F. X. Burlinson is also Regis' Chief Investment Officer. As of January 1, 2017, Regis had total discretionary assets under management of approximately \$3,649,560,290. Regis typically manages assets on a discretionary basis. Regis also provides asset allocation advisory services to those clients seeking advice only for portfolio allocations.

Regis manages separately managed securities accounts and private investment funds.

- Regis manages separately managed accounts ("Separate Accounts") for clients that pursue Regis' global, diversified asset allocation model.
- Regis manages one global asset allocation fund – the Regis Partners Fund, L.P. (the "Global Allocation Fund") that targets a net total return to investors exceeding their benchmarks of a blended coverage of the MSCI ACWI (All Country World Index) and the Barclays Aggregate Bond Index. The Global Allocation Fund seeks to meet this objective by constructing a well-diversified portfolio that Regis expects will be uncorrelated.
- Regis manages Regis India Opportunities Fund II, L.P. (the "India Opportunities Fund") that has invested in a fund that has invested in Indian real estate. This fund is no longer offering its interests to investors.

Unless otherwise specified, the Global Allocation Fund and the India Opportunities Fund, will be defined as "Funds". Together, the Funds and Separate Accounts will be known as "Clients".

The investors in the Funds that Regis manages have no opportunity to select or evaluate any fund investments or strategies. Regis selects all fund investments and strategies.

To tailor its services to the individual needs of each Separate Account, Regis:

- Manages each such account based on the client's financial situation and investment objectives and in accordance with any restrictions that the client imposes on managing the account. Regis obtains this information from a client in a questionnaire or otherwise.
- At least annually, contacts each client (either in person or by telephone) to ask about any changes in the client's financial situation or investment objectives and whether the client desires to impose or modify any restrictions on managing the account.
- Notifies each client quarterly in writing to contact Regis if there are any changes in the client's financial situation or investment objectives, or if the client desires to impose or modify any restrictions on managing the account.
- Regis makes itself reasonably available to clients for consultation.

Regis does not partake in any wrap fee programs.

Item 5. Fees and Compensation

Separately Managed Account Fees and Termination

Regis' compensation for Separate Accounts is negotiable and varies, but typically it charges an asset-based fee on the following schedule with a minimum \$125,000 annual fee:

<u>Fee Percentage</u>	<u>Beginning assets under management ("AUM") Tier Level</u>	<u>Ending AUM Tier Level</u>
0.60%	\$0	\$25,000,000
0.50%	\$25,000,001	\$50,000,000
0.25%	\$50,000,001	\$100,000,000
0.20%	\$100,000,001	\$500,000,000
Negotiable	Above \$500,000,000	

Except as may be otherwise negotiated in particular cases, the holder of an individually managed account may terminate the account by giving 30 days' prior written notice. In all cases, expenses, the pro rata portion of the management fee and the performance allocation or fee through the date of termination are charged to the account. All prepaid but unearned advisory fees are refunded on termination of a Client's account.

Global Allocation Fund

Investors in the Global Allocation Fund pay an annual fee of 0.85% of assets under management, which amount is payable quarterly at the beginning of each quarter based on the net market value of the investor's capital account balance on the date the fee accrues and becomes payable.

Investors in the Global Allocation Fund may withdraw from that fund on the last day of a calendar month with 30 days' prior notice.

Fees Generally

Regis typically deducts management fees and performance allocations directly from Clients but may bill a Client for such amounts on request. Management fees are generally determined on a quarterly basis and charged in advance of the quarter. In the event a Separate Account terminates their advisory agreement with Regis, management fees will be refunded / adjusted pro rata according to the period from the start of the current calendar quarter through the termination date specified by the Client.

Separate Accounts that invest in mutual funds also pay, indirectly, investment advisory fees to the managers of those funds.

Regis 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 Regis or an affiliate is general partner, to use the “alternative reporting option” to report Regis’ compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

Relationships with Regis’ Funds are terminable on expiration of the partnership’s term, dissolution of the partnership or on Regis’ withdrawal as general partner.

An investor who withdraws from a Fund on a date other than the last day of a month, however, does not receive a refund of the management fee previously paid.

Each Client is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, tax, audit, and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. Regis 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 and futures commission merchants that execute clients’ securities trades, as discussed in Item 12 below.

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

Regis manages certain Clients that pay performance-based compensation as described in Item 5 and accounts that do not pay performance-based compensation. Typically, a Client that does not pay performance-based compensation pursues a different investment strategy. Regardless, Regis has a conflict of interest if, in any time period, one fee structure would cause higher fees to Regis than the other fee structure, because Regis would have an incentive to favor the account that would pay the higher fees. To address this conflict, Regis typically allocates all investment opportunities within each strategy on a pro rata basis, based on each account’s assets. In addition, Regis has policies and procedures to review client account investment allocations on a regular basis.

Item 7. Types of Clients

Regis provides investment advice to the Funds and Separate Accounts. The minimum investment for each fund is set forth across from its name below:

<u>Fund</u>	<u>Minimum</u>
Global Allocation Fund	\$1,000,000

As stated in item 4, the India Opportunities Fund is no longer accepting new investors. Regis may waive the minimum for each Fund. Regis generally requires a minimum of \$10,000,000 to open a Separate Account but may waive this minimum. Regis’ Separate Accounts S may include high-net-worth individuals, institutions, foundations, trusts, endowments and pension plans.

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

Investment Strategy

Separate Accounts and Global Allocation Fund

The investment objectives of the Separate Accounts and the Global Allocation Fund is long-term capital appreciation. The Separate Accounts and the Global Allocation Fund target a net total return to investors that exceeds its benchmark, a blended average of the MSCI ACWI (All Country World Index) and the Barclays Aggregate Bond Index. Regis intends to meet its objective of long-term capital appreciation by constructing a well-diversified portfolio of investments that Regis expects will be uncorrelated.

Regis believes that superior risk adjusted returns can be achieved by the proper combination of strategic asset allocation, portfolio management, and Security selection. This strategy requires both “top down” macroeconomic analysis as well as a “bottoms up” fundamental evaluation of asset class valuations, economic growth rates, industry themes and company-specific issues.

Regis believes that asset allocation is an important determinant of long-term investment success. Through the combination of numeric analysis and seasoned judgment, Regis seeks to overweight asset classes it views as undervalued relative to history, other asset classes and intrinsic value. Regis will seek to underweight asset classes that it believes are overvalued relative to those criteria and therefore offer low prospective returns. In determining the target asset allocation, Regis starts with the belief that a portfolio comprised principally of equities produces the highest long-term returns.

Regis has developed a relative valuation framework that shapes its views on prospective asset class risk and return. This model evaluates a variety of macroeconomic and microeconomic factors but is principally informed by the historic relationship between interest rates, corporate earnings margins and gross domestic product (“GDP”) growth. Regis evaluates these data to determine optimal allocation levels given a desired portfolio risk and return objective.

Regis may periodically use scenario analysis to test the impact of various economic and market scenarios on the portfolio. These simulations, while a tool, illustrate the potential trade-offs between different asset allocation models and may result in adjustments to the asset allocation. At the margin, asset allocation may also be influenced by long-term trends that Regis believes will have a major impact on the upcoming investment climate and therefore Partnership returns.

Regis believes that disciplined portfolio management represents an opportunity to generate incremental excess return. Regis has developed a set of tools to reduce risk and portfolio turnover. Generally, the entire portfolio and the underlying allocations are continually monitored.

Within each asset class, Regis has the flexibility to invest in passive strategies, such as index funds; active strategies, such as actively managed mutual funds; or direct public and private investments. Regis typically favors baskets of ETFs and low-cost mutual funds as the preferred vehicles for gaining exposure to the different asset classes. Regis will invest in individual securities where it believes a superior risk-adjusted return opportunity exists or where the absence of a liquid, low-cost alternative prohibits Regis from attaining a desired objective.

India Opportunities Fund

The India Opportunities Fund has invested in a private investment fund that has invested in various real estate projects in India. The India Opportunities Fund is not making any further investments.

General

The investment strategies summarized above represent Regis' current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which Regis 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. Regis 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, Regis 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 Regis 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 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 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 Regis' representatives any questions that such person may have before opening an account.

General Risks Applicable to all Regis Funds or Accounts

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Regis may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the instrument hedged do not always correlate, resulting in losses on both the hedged instrument and the hedging instrument. Regis is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Regis 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.

- 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.
- Some of an account's positions may be or become illiquid, in which case Regis may not be able to sell or cover such positions.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which a fund has invested may cause significant losses.
- Regis determines the value of securities and commodities held in Client accounts, whether or not a public market exists for such instruments. If Regis' valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- Regis and its affiliates and agents generally are not responsible to any Client or investor for losses incurred in an account unless the conduct resulting in such loss breached Regis' fiduciary duty to the Client or investor.
- There is not and will not be an active market for fund interests. It may be impossible to transfer any such interests, even in an emergency.
- A fund may not be able to generate cash necessary to satisfy investor withdrawals, if permitted, or to provide for distributions. Substantial withdrawals, if permitted, in a short period could force Regis 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 of an investor's assets from the fund.
- A fund may establish a reserve for contingencies if Regis considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- If the assets that Regis and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Regis to find attractive investments as the amount of assets that it must invest increases.
- The attorneys who represent Regis or its manager 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.
- Regis, 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 Regis, a fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- 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 Regis must devote to regulatory compliance, to the detriment of investment activities.
- Regis is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator. The equity 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. Regis 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, Regis 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.
- Regis' activities could cause adverse tax consequences to Clients and investors, including liability for interest and penalties.
- Regis' 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.
- Regis and its affiliates may spend time on activities that compete with a fund without accountability to investors, including investing for other Clients and their own accounts. If Regis receives better compensation and other benefits from managing other assets or Client accounts compared to managing a fund, it has incentive to allocate more time to those other activities. These factors could influence Regis not to make investments on a fund's behalf even if such investments would benefit the fund.
- Regis may provide certain investors or Clients more frequent or detailed reports, special compensation arrangements and withdrawal rights that it does not provide to other investors or Clients.

Risks Specific to Investors in the Separate Accounts and the Global Allocation Fund

- 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.
- Regis may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Regis also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a Client when the Client could make a profit or avoid losses.
- Regis may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.
- 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.
- Regis 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. Regis could be subject to such actions, even if they are baseless, and Clients could incur substantial costs defending them.
- Regis may use 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.
- Regis may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Regis 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.
- Regis may cause Clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include 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.
- Regis 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 Regis holds a large position in an issuer's securities, it could depress the market for those securities.

- 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.

Risks Specific to Investors in the India Opportunities Fund

- Investor sentiment on the Indian market, a specific Indian industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- Regis may cause Clients to invest in securities of non-U.S., private and government issuers, particularly in India. The risks of these investments include 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.
- Regis may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. In addition, transparency into other private investments in the funds may be limited or absent causing the Regis and its Clients to be unable to assess risks adequately resulting in potential losses.
- Unforeseen natural events including but not limited to, earthquakes, tsunamis, and other similar events may result in magnified negative market impacts in these overseas regions which are highly unpredictable and difficult to assess.

Item 9. Disciplinary Information

This item is not applicable because Regis has no reportable disciplinary information.

Item 10. Other Financial Industry Activities and Affiliations

Regis or the Freidenrich family entities have made seed capital investments in funds managed by the following fund managers: Mainsail Partners, LLC, (private equity buyout funds), RMA Real Estate Investment Advisors (real estate investment funds), and Merus Capital, LLC (venture capital funds). In exchange for those seed capital investments, Regis has received an interest in certain funds managed by these managers. Regis introduces its Clients to those fund managers and has caused some of its Clients to invest in some of those funds (on a fully disclosed basis). Regis has a conflict in interest in such introductions and investments because Regis receives fees from those managers, and, thus, from any investment in such a fund by one of its Clients.

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

Regis has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 that establishes standards of conduct for Regis' supervised persons. The Code of Ethics includes general requirements that Regis' supervised persons comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of

Client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Regis' Compliance Officer and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of Regis receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Regis' Code of Ethics by contacting Steven Go.

Under Regis' Code of Ethics, Regis and its managers, members and employees may personally invest in securities of the same classes as Regis purchases for Clients and may own securities of issuers whose securities that Regis subsequently purchases for Clients. This practice creates a conflict of interest in that any of such 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, except as described in Item 12 regarding aggregating securities transactions, if Regis purchases or sells a security for Clients and any of Regis and its managers, members and employees on the same day, either the Clients and Regis and its managers, members and employees pay or receive the same price, or the Clients receive the more favorable price. Regis and its managers, members and employees may also buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals, which Regis does not believe appropriate to buy or sell for Clients.

Regis solicits investors who may or may not be Regis' Clients to invest in its Funds. Regis 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, Regis' performance compensation from a Fund receives more favorable tax treatment than that from an individually managed account and limited partners have less transparency and liquidity than individual account clients. In addition, if a fund investor also has an individually managed account with Regis 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 assets from the fund at times when other fund investors would have made similar decisions had they had similar transparency. Regis discloses these conflicts of interest to Clients and investors.

Because Regis manages more than one account, 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, Regis 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. Regis 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. Regis attempts to resolve all such conflicts in a manner that is generally fair to all of its Clients. Regis 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 Regis' policy, to the extent practicable, to allocate investment opportunities to its Clients fairly and equitably over time. Regis

is not obligated to acquire for any account any security that Regis or its managers, members or employees may acquire for its or their own accounts or for any other Client, if in Regis' absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Regis' general policy to allocate purchase and sales of a security to each account that it manages and for which the purchase or sale of the security is appropriate, pro rata in accordance to the capital available for investment in that account. Given the diversity (size, strategy, objectives, tax situations, etc.) of accounts that Regis manages and the different the portfolio managers of those accounts, this pro rata policy typically is the exception rather than the norm. While it is impossible to reduce to written policy every scenario in which Regis may deviate from its baseline pro rata allocation policy, some of the more common scenarios are described below.

Regis' portfolio managers often communicate regarding securities that they are considering for purchase or sale or purchasing or selling for the accounts that they manage. They do not, however, consult on every trade for the accounts they manage. Accordingly, at times, due to the timing of these consultations, among many other reasons, one of the portfolio managers may not execute a trade executed by the other portfolio manager for the accounts he manages or may execute trades in those securities several days or weeks after the trades are executed for the other accounts.

At times, a portfolio manager may identify an investment in privately offered or traded securities, for which Regis has a limited opportunity to invest. Typically, that opportunity will be allocated first to the accounts managed by that portfolio manager based on the amount of that investment that is appropriate for those accounts, and, if some of the opportunity remains after those accounts have invested, the accounts managed by the other portfolio manager are offered the opportunity to invest in those securities. Such investments typically require an extensive amount of a portfolio manager's time and energy. Such time and energy involve an opportunity cost for the Clients whose portfolios that portfolio manager oversees -- the time and energy that the portfolio manager could devote to other investment opportunities. Accordingly, Regis follows this protocol to compensate the applicable portfolio manager's Clients for that opportunity cost.

Regis typically will not recommend a security to a non-discretionary, non-fee paying account until after it has completed its transactions in those accounts for its other Clients. The timing of such recommendations will depend based on the amount and timing of communications with those accountholders. Regis typically does not recommend specific transactions in those securities, except that it attempts to notify the accountholder after Regis has completed liquidating the position for its other accounts.

Regis serves as investment adviser to high net worth families, including the family of John Freidenrich, the co-founder of Regis. Freidenrich family entities have different investment objectives and horizons, risk tolerances and tax considerations than many of the other Clients of Regis. At times, however, Freidenrich family entities may co-invest with Regis' other Clients and at times, Freidenrich family entities may invest in opportunities that Regis' other Clients do not invest in. In the situations where these entities co-invest with Regis' other Clients, such co-investment may reduce the amount of such opportunity available for Regis' other Clients. Regis' other Clients may not invest in an opportunity in which Freidenrich entities invests when Regis determines that the investment is not appropriate for Regis' other Clients at the time of the investment. There is a risk that in hindsight, this judgment may appear to be erroneous.

Item 12. Brokerage Practices

Regis has complete discretion in selecting the broker or futures commission merchant that it uses for Client transactions and the commission rates that Clients pay such brokers and futures commission merchants. In selecting a broker or futures commission merchant for any transaction or series of transactions, Regis may consider a number of factors, including, for example:

- Net price, clearance, settlement and reputation;
- Financial strength and stability;
- Efficiency of execution and error resolution;
- Block trading and block positioning capabilities;
- Willingness to execute related or unrelated difficult transactions in the future;
- Special execution capabilities;
- Order of call;
- Offering to Regis on-line access to computerized data regarding clients' accounts;
- Computer trading systems; and
- Availability of stocks to borrow for short trades

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

- Research reports, services and conferences, including third-party research fees;
- Technical data;
- Periodical subscription fees;
- Consultations;
- Performance measurement data;
- On-line pricing;
- News wire and data processing charges; and
- Quotation services

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

During Regis' last fiscal year, the firm did not receive any products or services as a result of any soft dollar benefits. Regis' current trading policy is to not incur any additional client brokerage commissions or markups.

Regis may allocate the costs of certain computer equipment and software used for both research and non-research purposes between their research and brokerage uses and non-research uses and use soft dollars to pay only for the portion that Regis allocates to research uses.

A Client's obligations to those custodians and their affiliates will be secured by way of a first priority perfected security interest over all of the Client's assets held in custody by them and their affiliates may transfer to themselves 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 their 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.

Regis may select a broker to act as a "trading broker" for a Client. In such cases, Regis 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 Regis) to provide those services may allow Regis 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 Regis uses commission dollars to pay for products or services that provide administrative or other non-research assistance to itself or its affiliates, such payments may not fall within the section 28(e) safe harbor.

Regis may pay to a broker or futures commission merchant commissions and mark-ups that exceed those that another broker or futures commission merchant might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker or futures commission merchant provides. Regis 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 Regis' 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 Regis' brokerage relationships benefit Regis' 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 Regis to use a broker or futures commission merchant that does not provide Regis with soft dollar services. Regis does not allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits that the accounts generate.

Regis' relationships with brokers and futures commission merchants that provide soft dollar services influence Regis' 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. Regis has an incentive to select or recommend a broker or futures commission merchant based on Regis' 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 Regis uses soft dollars to pay expenses it would otherwise be required to pay itself.

Regis addresses these conflicts of interest by annually evaluating the trade execution services that Regis receives from the brokers and futures commission merchants that it uses to execute trades for Clients. Such evaluation includes comparing those services to the services available from other brokers and futures commission merchants. Regis 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 or futures commission merchants, increasing or decreasing targets for each broker or futures commission merchant and the appropriate level of commission rates.

Regis may aggregate securities sale and purchase orders for a Client with similar orders being made contemporaneously for other accounts that Regis manages or with accounts of its affiliates. In such event, Regis 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 Regis were not executing similar transactions concurrently for other accounts. Regis 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.

Regis may direct a certain amount of brokerage to a broker or futures commission merchant in return for the broker's or futures commission merchant's referral of prospective Clients or investors. Directing brokerage in exchange for Client or investor referrals creates a conflict of interest in that Regis has an incentive to refer its Clients' brokerage business to brokers and futures commission merchants to which it might not otherwise direct transactions. During its last fiscal year, Regis did not direct Client transactions to a particular broker or futures commission merchant in return for Client referrals.

If a Client directs Regis to use a specific broker, Regis has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. Regis is not responsible for obtaining from any such broker the best prices or particular commission rates. A Client that directs Regis to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if Regis had discretion to select broker-dealers other than those that the client chooses.

Item 13. Review of Accounts

- Regis' COO reviews all trade activity in all Clients on a regular basis. Additionally, Regis' back office reconciles all position and cash balances for each of its Clients against broker statements.

- For its Separate Accounts, on at least a quarterly basis and as needed if more frequently due to account flows, Regis' Chief Investment Officer, together with other members of Regis' investment committee updates inputs into its allocation model and takes into consideration such matters as cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels to rebalance individual portfolios.
- For the Global Allocation Fund, the Chief Investment Officer reviews on at least a quarterly basis and as needed if more frequently and updates inputs into Regis' allocation model and takes into consideration such matters as cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels to rebalance individual portfolios. Each investor receives a quarterly letter stating performance for the period and an annual letter discussing annual performance and investment outlook.

Item 14. Client Referrals and Other Compensation

From time to time, Regis will engage 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 Regis 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

Pursuant to SEC regulations, Regis is considered to have "custody" of the Funds' assets. The SEC's Custody Rule generally requires investment advisers that have "custody" of Client assets to cause certain account statements detailing holdings and transactions to be sent to Client and imposes certain other obligations. However, advisers to investment funds like the Funds are not required to comply (or are deemed to have complied) with certain requirements of the Custody Rule if they comply with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that the Funds be 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, and requires that the Funds distribute its audited financial statements to all investors within 120 days of the end of its fiscal year. Regis satisfies the SEC's custody requirements by providing investors with audited financial statements from an eligible auditor by a specified time each year.

The custodian of each Separate Account sends account statements at least quarterly to such account holder. Each Separate Account Client should carefully review those statements and compare them with the statements that such Client receives directly from Regis.

For those Funds and Separate Accounts that are not audited, the Regis engages an auditor to perform a surprise examination of those funds' assets, and a qualified custodian will send a quarterly account statement directly to investors or those clients.

Item 16. Investment Discretion

Regis 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 Separate Account agreement. Except for the Funds, such discretion is limited by the requirement that Clients advise Regis of:

- The investment objectives of the account;
- Any changes or modifications to those objectives; and
- Any specific investment restrictions relating to the account

A Client must promptly notify Regis 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 Regis 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 Regis 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

Regis decides whether to vote proxies on behalf of each account over which Regis has proxy voting authority after considering whether the proposal will have a material effect on the account's investment strategy. This analysis frequently leads Regis to not vote proxies. In determining whether a proposal serves an account's best interests, Regis 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.

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

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

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

Item 18. Financial Information

Not Applicable.

Item 19. Requirements for State-Registered Advisers

Not Applicable.