

**COLUMBUS CAPITAL MANAGEMENT, LLC**  
**Part 2A of Form ADV: Firm Brochure**

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**This brochure provides information about the qualifications and business practices of Columbus Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 415.986.5302 or [brendan@ccmfunds.com](mailto:brendan@ccmfunds.com). The information in this brochure has not been approved or verified by the Securities and Exchange Commission ("SEC") or by any state securities authority.**

**Additional Information about Columbus Capital Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## **MATERIAL CHANGES**

Columbus Capital Management, LLC (“Columbus” or “we”) is switching from filing as an Exempt Reporting Adviser (“ERA”) to being SEC-registered. As an ERA, Columbus was not required to prepare a Part 2A of Form ADV. In future annual amendments, this section will discuss material changes to Part 2A of Form ADV.

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## **ADVISORY BUSINESS**

Columbus Capital Management, LLC (“Columbus” or “we”) began operation in April 1997. We provide discretionary investment advisory services to a California limited partnership (the “Onshore Fund”), a Delaware limited partnership (the Onshore QP Fund), (collectively the “Onshore Funds”) and a Cayman Islands exempted company (the the “Offshore QP Fund”). We are the sole general partner of each of the limited partnerships and the sponsor to the Offshore QP Fund. The Onshore QP Fund serves as a master fund to the Offshore QP Fund. The Offshore QP Fund invests all its assets directly into the Onshore QP Fund. We refer to these investment funds collectively as the “Funds.” At this time we do not manage assets for or provide investment advice to any clients other than the Funds, although we plan to do so in the future.

Matthew D. Ockner is Columbus’s sole equity owner.

We manage the Onshore Funds pursuant to the objectives specified in the materials by which the Funds offer its ownership interests to investors. We, as general partner, determine those objectives. The Onshore Funds have a broad investment mandate: they buy and sell securities, engage in some short-term trading, and may invest and trade in options, other derivatives and other instruments. Our agreement with the Onshore Funds impose some limits on the types of securities or other instruments in which the Fund may invest, the types of positions it may take, the concentration of its investments by sector, industry, fund, country, class or otherwise, the amount of leverage it may employ or the number or nature of short positions it may take. The Fund’s investors do not have the right to specify, restrict, or influence investment objectives or any investment or trading decisions.

The Offshore QP Fund invests directly into the Onshore QP Fund.

We do not participate in wrap fee programs.

As of December 31, 2016, the regulated net asset value of accounts (the Funds) we manage was \$70,393,000. We manage no assets on a nondiscretionary basis.

## **FEES AND COMPENSATION**

***Compensation to Columbus.*** Each Fund is obligated to pay us a “management fee” for each month equal to 0.125% (1.5% *per annum*) of the value of investors’ holdings in the Fund as of month-end. As general partner of the Onshore Fund, we are specially allocated as an “incentive allocation” 20% of the appreciation in the limited partners’ capital account balances to the extent that appreciation exceeds previous declines in the value of these balances (a “high water mark”). The Onshore Funds make incentive allocations at the end of each calendar year and at other times when Onshore Fund investors withdraw capital, but then only in relation to the amount of capital withdrawn. The Offshore QP Fund pays its management fee and incentive allocation within the Onshore QP Fund. For each period and for each Fund, the foregoing fees and allocations are the aggregate of amounts calculated separately for each investor or group of investors in each Fund. They are not generally negotiable, but our agreements with the Funds give us the authority to vary them for particular investors.

The Funds pay our fees directly from their assets that we manage. Incentive allocations from the Onshore Fund take the form of increases in the value of our general partner interest in that Fund.

**Other Fees and Expenses.** Each Fund pays all the expenses of its administration and operation, including those for:

- brokerage commissions and other transaction-related services (see “Brokerage Practices” below);
- custodial fees;
- accounting and audit expenses;
- tax preparation fees;
- governmental fees and taxes;
- interest on borrowings;
- ongoing legal expenses; and
- bookkeeping and expenses of partners’ and shareholders’ meetings.

Each Fund bore certain costs in connection with its organization and the initial offering and sale of ownership interests in it and continues to bear the costs of its ongoing offering of those ownership interests.

We may advance costs described above for a Fund and the Fund must reimburse us.

We provide office personnel and space required for the performance of our services for the Funds. The Funds do not reimburse us for doing so (except to the extent of our fees and incentive allocations). The Funds do not currently pay custodial fees directly. Their assets are held by a “prime broker” as custodian. The Funds may be considered to pay for custodial services indirectly through: payments to the prime broker of commissions and other transaction costs; payments of financing charges related to margin borrowings and stock loans; and the prime brokers’ ability to earn money on certain balances the Funds maintain with them (subject to laws and regulations governing their activities).

**Prepayment of Fees.** The Funds do not prepay fees; they pay management fees monthly in arrears.

**Other Compensation.** We do not and our personnel do not accept compensation for the sale of securities or other investment products.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Onshore Funds allocate to us, as general partner, a portion of the appreciation in value of investors’ investments. We do not manage any accounts that do not provide for performance-based incentive allocations or fees. While we have the right to waive incentive allocations and fees as to particular investors in a Fund, we manage each Fund’s assets as an undivided pool, so any such waiver would not give rise to incentives to favor any particular account over another. Our potential to receive incentive allocations and fees, and the fact that we will not have to refund any such allocations or fees if the Funds later experience losses, may create an incentive for us to make investments that are riskier or more speculative than would otherwise be the case.

## **TYPES OF CLIENTS**

We provide investment advice only to the Funds. They are privately-offered investment funds that are not regulated under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") because of Section 3(c)(1) of that Act and/or Section 3(c)(7) of that Act. Each Fund imposes minimum investor qualification standards and minimum investment requirements.

At this time we do not manage assets for or provide investment advice to any clients other than the Funds, although we plan to do so in the future.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### ***Investment Objectives and Strategies***

Our objective is to generate capital appreciation with limited sensitivity to market fluctuations. We focus primarily on U.S.-based small-capitalization companies. Investment decisions are based on fundamental research, including discussions with companies' senior management, discussions with management of related companies, construction of earnings models, contact with brokerage analysts, and review of other information as necessary.

We take long and short positions. The short component of our portfolio is designed to generate incremental returns and to reduce the overall portfolio risk and is not limited to small-capitalization stocks.

We are not limited to the strategy described above. We may invest in various types of securities such as common stocks and equity-related financial interests such as options, including preferred stock, warrants, rights, ETFs and money market instruments. We may also use margin borrowings and other leveraging techniques. There can be no assurance that the Funds' objectives will be satisfied.

### **Investing in securities involves a risk of loss that investors should be prepared to bear.**

### ***Material Risks of Our Strategy***

The following is a summary of some of the material risks associated with our investment activities. It does not attempt to describe all of the risks associated with those activities.

**Investment Selection; Reliance on Mr. Ockner.** We believe the primary risk of our investment strategy relates to investment selection – the risk that our techniques may, at least over certain periods, result in securities positions that decline in value or do not appreciate as much as alternatives. Our investment advice depends on the judgment and analysis of Matthew D. Ockner. Should Mr. Ockner terminate his relationship with us, die or become otherwise incapacitated for any period of time, the Funds' investments could suffer.

**General Economic and Market Conditions.** The success of a Fund's investments may be affected by global, national and local economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, developments in governmental regulation and national and international political circumstances. These factors may affect the success of the businesses in which a Fund's portfolio companies are engaged as well as the markets for the securities a Fund holds. Unexpected volatility or illiquidity could impair a Fund's profitability or result in losses.

**Small Capitalization Stocks.** The Funds may invest a portion of its assets in stocks of companies with relatively small market capitalizations. While we believe these stocks can provide significant potential for appreciation, they can involve higher risks in some respects than investments in stocks of larger companies. For example, prices of small-capitalization and even some medium-capitalization stocks are often more volatile than prices of large-capitalization stocks and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks may be considered illiquid.

**Concentration of Investments.** The Funds do not limit the amount of capital they may commit to any single investment, industry or sector. We attempt to spread the Funds’ capital among a number of investments, generally avoiding investing in a security if, as a result, a Fund’s investment in that security would represent more than 8% of the net value of the Fund’s portfolio, at the time of purchase. However, at times the Funds may hold a relatively small number of security positions, each representing a relatively large portion of a Fund’s capital. Losses incurred in such positions could have a materially adverse effect on a Fund’s overall financial condition.

**Hedging, Generally.** Hedging strategies in general are usually intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit.

**Short Selling.** A Fund may sell securities short. In a short sale, a Fund sells securities it does not own, in the hope that the market price will decline and that the Fund will be able to buy replacement securities later at a lower price. A short sale theoretically involves the risk of unlimited loss: the price at which the Fund must buy “replacement” securities could increase without limit.

**Use of Leverage.** A Fund may leverage its investment positions by borrowing funds from securities broker-dealers, banks, or others. Such leverage increases both the possibilities for profit and the risk of loss. While we attempt to limit a Fund’s borrowings, at times a Fund may hold a relatively large amount of debt. Borrowings usually are from securities brokers and dealers and are typically secured by a Fund’s securities and other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures a Fund’s obligations, and if a Fund were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy such Fund’s obligation to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of a Fund’s borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on such Fund’s profitability.

### **DISCIPLINARY INFORMATION**

We have not been involved in any legal or disciplinary events since our inception that would be material to a client’s evaluation of our company or our personnel.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither we nor any of our employees are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer, futures commission merchant, or commodity pool operator. Neither we nor any of our employees have any relationships or arrangements with other financial service companies that pose material conflicts of interest.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

Pursuant to Rule 204A-1 under the Advisers Act of 1940 (“Advisers Act”), we have adopted a Code of Ethics which is provided to each investor, prospective investor, or prospective client upon request. The Code, among other things, requires pre-clearance of investments in limited offerings and initial public offerings. It also requires access persons to provide initial and annual securities holdings reports as well as quarterly securities transactions reports.

### **Conflicts of Interest**

We do not cause the Funds to buy securities from or sell securities to us or our affiliates (which include our members, officers, directors, employees and entities (“Related Parties”)). However, we do not prohibit employees from buying, selling, or holding the same securities that we recommend to the Funds. We have procedures for dealing with insider trading, employee-related accounts, “front running,” and other issues that may present a potential conflict when buy/sell recommendations are made. These procedures include preclearance by Mr. Ockner and the CCO for employee security transactions if the same securities are recommended to the Funds.

We generally prohibit Related Parties from buying and selling equity securities, specifically so that they do not buy and sell the same securities the Funds buy and sell.

We allocate investment opportunities that may be considered “scarce” generally on the basis of assets under management for which the transactions are appropriate.

## **BROKERAGE PRACTICES**

In the course of their investment activities the Funds may incur substantial transaction expenses, including brokerage commissions. We have complete discretion in deciding what brokers and dealers the Funds use and in negotiating rates of brokerage compensation. In addition to using brokers as “agents” and paying commissions, the Funds may buy or sell securities directly from or to dealers acting as principal at prices that include markups or markdowns.

### **Best Execution**

In choosing brokers and dealers, we are not required to consider any particular criteria. For the most part, we seek the best combination of brokerage compensation and execution quality. In evaluating whether a broker or dealer will provide “best execution,” historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions will be a principal factor, but other factors will also be relevant, including: the execution, clearance, and settlement and error correction capabilities of the broker or dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker’s or dealer’s willingness to commit capital; reliability and financial stability; the size of the transaction; availability of securities to borrow for short sales; and the market for the security.

### **“Soft Dollars”**

In addition to execution quality, we may consider the value of various services or products, beyond execution, that a broker-dealer provides to the Fund or us. Selecting a broker-dealer in recognition of such other services or products is known as paying for those services or products with “soft



dollars.” Because many of those services could benefit us, we may have a conflict of interest in allocating the Funds brokerage business because we may have an incentive to select the broker based on the products or services instead of on execution quality. When we use the Funds’ brokerage business to obtain products or services, we do not have to produce or pay for the product or services.

Selecting a Transacting Party in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with “soft dollars.” A federal statute, Section 28(e) of the Securities Exchange Act of 1934, as amended, recognizes the potential conflict of interest involved in the use by an investment manager of soft dollars generated by securities transactions to pay for various expenses but provides a safe harbor from breach of fiduciary duty claims if certain conditions and requirements are met. Under the safe harbor, soft dollars may be used to acquire “research” and “brokerage” services and products for which a Fund would not otherwise be required to pay. Services or products generally constitute “research” under Section 28(e) if they constitute advice, analyses or reports any of which express reasoning or knowledge as to the value of or investing in or trading securities, or as to issuers, industries, economic factors and trends, portfolio strategy or performance, but only to the extent we use them for lawful and appropriate assistance in making investment decisions for a Fund and our other clients. “Brokerage” services and products are those used to effect portfolio transactions or for functions that are incidental to effecting those transactions (such as clearance, settlement or short-term custody related to effecting clearing or settling transactions) or regulatorily required in connection with transactions. Section 28(e) only protects commissions or commission equivalents on transactions in securities; markups and markdowns on many principal transactions, commissions paid to futures commission merchants on transactions in futures contracts, and compensation from transactions in swaps or other derivative instruments are not protected.

Using soft dollars to pay for services and products other than research and brokerage is not protected by the safe harbor, but does not necessarily constitute a violation of any law or fiduciary duty. Similarly, use of non-commission soft dollars or otherwise failing to satisfy procedural elements of the Section 28(e) safe harbor are not protected but are not necessarily prohibited.

When we buy services or products with “soft dollars,” the selling broker generally suggests a level of business that would fully compensate it for the services or products. The Funds’ actual transactional business with such a broker-dealer may be less than the suggested level but can--and often will--exceed that level. This may be in part because the Funds’ investment activities generate aggregate commissions in excess of the aggregate suggestions from all broker-dealers providing services and products. And it may be in part because those broker-dealers may also provide superior execution and may therefore be most appropriate for particular transactions. In other cases, a broker-dealer may establish “credits” relating to brokerage commissions paid in the past, which may be used to pay specified expenses. Broker-dealers are not excluded from Fund business simply because they have not provided “research” or other services or products. During the last fiscal year, we received research products and services, including FactSet and a technical research provided by a consultant.

In addition to the factors described above, we may consider a broker-dealer’s referrals of investors to the Fund or the potential for future referrals. As with “soft dollar” payments for research, in some cases the transaction compensation paid might be higher than that obtainable from another broker-dealer who did not provide (or undertake to provide) referrals or soft dollar products or services, although we will seek to avoid such a result and will generally seek “best execution.” Awarding transaction business to broker-dealers in recognition of past or future referrals may

involve an incentive for us to cause the Fund to effect more transactions than it might otherwise do in order to stimulate more referrals. During the last fiscal year, we did not direct brokerage in return for any investor or client referrals.

### **Aggregation of Orders**

We may combine orders on behalf of the Funds and allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the Funds. While we believe combining transaction orders in this way will, over time, be advantageous to all participants, in particular cases the average price could be less advantageous to one Fund than if the Fund had been the only account affecting the transaction or had completed its transaction before the other Fund.

### **“Prime Brokerage,” Custody, Clearing and Settling**

We have a “prime brokerage” arrangement with certain prime brokers (the “*Prime Brokers*”). Under this arrangement, the Prime Brokers provide certain recordkeeping services and perform the following functions, among others: (i) arrangement for the receipt and delivery of securities bought, sold, borrowed, and lent; (ii) making and receiving payments for securities; (iii) maintaining custody of cash and securities; (iv) delivering cash to the Partnership’s bank accounts; and (v) tendering securities in connection with tender offers, exchange offers, mergers, or other corporate reorganizations. The Prime Broker has custody of the Funds’ securities and cash.

The Funds may pay for custodial and related services either in cash or by allocating a portion of their brokerage business to the Prime Broker. The Funds are not committed to continue their “prime brokerage” relationship with the Prime Broker for any minimum period. If the Funds use another custodian, they may be required to pay other fees in cash.

The Prime Brokers may, among other things, provide consulting services relating to various aspects of our business and introductions to prospective advisory clients and prospective investors in the Funds we manage. The Prime Brokers may also enter into financial transactions with (including lending money to) us, or our affiliates, and these transactions may be on terms more favorable than the terms available with other counterparties. To the extent we, or any of our affiliates, receive facilities or services from a Prime Broker at lower than market prices, or enter into transactions on terms better than terms available in the market, conflicts may exist between our interests and the Funds’. This is because we are responsible for selecting the Prime Brokers and for negotiating the rates of compensation the Funds pay the Prime Brokers for, among other things, transaction execution, securities borrowed for short sales, and interest on margin borrowings. To the extent the Funds pay the Prime Brokers for portfolio transactions, the Funds might be considered to be paying below-market for facilities or services (if any), in part, with soft dollars. And we may have an incentive to cause the Funds to accept less favorable pricing for prime brokerage services (including interest and similar charges on margin borrowings and short positions) than might be available otherwise, to direct more portfolio transaction business to the Prime Broker than it would otherwise, or to continue to use the Prime Broker when the Partnership would not otherwise do so. We believe the compensation the Funds pays each of the Prime Brokers is reasonable and competitive with rates charged by other prime brokers for services of comparable quality.

We have no directed brokerage arrangements.

### **REVIEW OF ACCOUNTS**

We review each Fund's portfolio daily as part of our ongoing portfolio management activities. Matthew D. Ockner and our Chief Compliance Officer ("CCO") generally conduct those reviews.

We do not provide formal reports to the Funds, as we are their sole general partner or sponsor. The Onshore Funds and the Offshore QP Fund prepare annual financial statements that they cause to be audited by an independent certified public accounting firm. The Funds provide those statements to its investors. The Onshore Funds and the Offshore QP Fund also currently provide monthly financial reports and the Onshore Funds provide annual Schedules K-1 to enable investors to prepare their income tax returns.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

Other than the previously described products and services that we receive from broker-dealers, we do not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

We have entered into a Solicitation Agreement with a registered broker-dealer "B-D" whereby B-D will be compensated by Columbus Capital Management for introducing potential investors that acquire an interest or shares in any of our Funds. However, the solicitor did not refer any clients or investors to Columbus during its last fiscal year.

### **CUSTODY**

We might be considered to have "custody" of the Funds' assets, even though an independent custodian (one of the Prime Brokers) actually holds those assets. In order to comply with the Custody Rule under the Advisers Act, the Funds are subject to financial audits in accordance with Generally Accepted Accounting Principles and the audited financial statements are distributed to investors within 120 days of the Funds' fiscal year ends.

### **INVESTMENT DISCRETION**

The Onshore Funds' agreements of limited partnership and the Offshore QP Fund's investment management agreement and sponsorship agreement grant us complete discretion to manage the Funds' investment portfolios, without any specific limitations. See the description above in "Advisory Business" and "Methods of Analysis, Investment Strategies and Risk of Loss."

### **VOTING CLIENT SECURITIES**

Columbus is aware of its fiduciary duty on behalf of its investors when voting all proxies. Matthew D. Ockner will determine if and how we will vote all proxies. If Mr. Ockner decides to vote a proxy, the CCO will vote the proxy and maintain a record of the vote. Mr. Ockner may choose to abstain from voting if he believes that abstaining is in the best interest of the Funds; in these cases, the CCO will maintain a record of the abstention. Investors cannot direct Columbus's vote. Mr. Ockner and the CCO evaluate each proxy for potential conflicts of interest. If a conflict is identified, Columbus would take steps to mitigate or resolve the conflict in the best interest of the Funds. These steps may include consulting with outside counsel, consulting with Investors, and/or consulting with an independent third party.

Fund investors may request a copy of our Proxy Voting Policy, as well as relevant proxy voting records, by making a written request to us at the address on the cover page of this brochure.

### **FINANCIAL INFORMATION**

We have never filed for bankruptcy and are not aware of any financial condition that is expected to affect our ability to manage client accounts.