

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page

JBW Capital Management LP

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\*This brochure provides information about the qualifications and business practices of JBW Capital Management LP. If you have any questions about the contents of this brochure, please contact the firm at 214-843-0440 or [info@jbwcapital.com](mailto:info@jbwcapital.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. JBW Capital Management LP is an SEC Registered Investment Adviser (RIA). This registration does not imply a certain level of skill or training.

Item 2 Material Changes

Not applicable.

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The Fund's objective is to attempt to achieve consistent real returns of 10-12% per annum, on average, net of all fees and expenses, with volatility levels that are similar to fixed income instruments such as U.S. Government bonds or Treasury bonds. This is not meant to imply that the Fund is guaranteeing any rate of return, nor does this imply that the Fund cannot achieve higher returns than those anticipated. Historical "back-testing" of hypothetical past Fund returns have greatly exceeded these targets in most years. Historical past performance does not guarantee future results.

In order to achieve consistent positive returns, the Fund will invest its assets across a wide variety of investment partnerships ("Portfolio Funds"), each of which is focused on generating positive real returns regardless of the overall direction of markets, including equity and fixed income markets, as well as currency and commodity markets. This strategy is known as absolute return investing ("Absolute Return" or "AR"), and contrasts with strategies that depend more heavily on market directionality to produce returns, such as long-only funds and mutual funds. Long-only products are generally designed to match or slightly outperform specific benchmarks or indexes. Absolute return investing is, by nature, market neutral, meaning that managers who employ AR strategies are generally able to achieve positive returns regardless of the direction of the broader markets (in rising or falling markets). The Portfolio Funds that have been selected for inclusion in the JBV Absolute Return Fund LP portfolio have historically demonstrated their skill in successfully executing this strategy.

Benjamin Baldwin, an Investment Adviser Representative, is the Principal of JBV Capital Management LP.

#### **Fees and Incentive Allocations of Underlying Investments**

Most Portfolio Funds pay their Portfolio Managers management fees and in many cases, incentive compensation. Management fees will generally range from 1% to 2% per annum based on a percentage of assets under management, and incentive compensation will generally be in the range of 10% to 20% of profits, often calculated annually but in some cases more frequently. Such management fees and incentive compensation assessed by such Portfolio Funds are in addition to the Management Fees and other expenses described herein, and are paid regardless of the overall performance of the Fund. However, most Portfolio Funds have provisions in place to protect investors, most notably 'high water marks' which prevent the Portfolio Managers from charging incentive fees until they have fully recovered any previous losses. The JBV Absolute Return Fund LP does not charge an incentive fee and does not intend to invest in any Portfolio Funds that charge fees that are higher than the prevailing industry standard at any point in time. All performance results presented in the JBV Absolute Return Fund LP marketing materials and other Fund-created documents are shown net of all fees and expenses.

JBV Absolute Return Fund LP charges a flat investment management fee, measured as a percentage of each client's capital account balance, which ranges from 150%-200% based on various investment size breakpoints. Investors with larger capital account balances are granted lower fees, in general. Additionally, certain early investors ('Original Limited Partners') were granted fees at the low end of the range. Fees are deducted from client's capital account balances monthly, as they are accrued, and are paid to JBV Capital Management LP quarterly in arrears.

#### **Organizational Expenses**

The Fund shall reimburse the General Partner for any organizational and initial offering expenses, which shall constitute an expense of the Fund. Such expenses include legal fees, printing, marketing, initial audit and tax work, among other expenses. Organizational costs shall be expensed immediately and offering costs shall be amortized over a period of thirty six (36) months or less. These organizational and offering expenses are in addition to Management Fees and Other Fund Expenses. The General Partner estimates that organizational expenses and initial offering costs will be approximately \$75,000-\$100,000 in the Fund's first 36 months.

#### **Other Expenses**

The Fund shall reimburse the General Partner, monthly in arrears, for such out-of-pocket costs and expenses as the General Partner shall determine to be necessary to conduct the Fund's business, including but not limited to: (i) all costs, fees and expenses of the Fund related to the purchase, sale or retention of investments, including brokerage commissions, dealer mark-ups and other costs of executing transactions; (ii) interest expenses; (iii) legal, administration, auditing, reporting and accounting expenses; (iv) all federal, state and local taxes payable by the Fund; (v) all costs, fees and expenses of the Fund relating to Limited Partners' meetings and the preparation and mailing of reports to Limited Partners; (vi) fees and out-of-pocket expenses of the General Partner reasonably incurred in the operation of the Fund, including office expenses, general overhead and rent, travel, meals and entertainment, and due diligence expenses related to examining and performing due diligence on the Portfolio Funds and fundraising; (vii) all fees of the Fund's independent attorneys, accountants, tax preparers, auditors and bank/cash management services; (viii) all filing and recording fees; (ix) all insurance costs relating to the management of the assets and the operations of the Fund; (x) computer and computer services costs, including hardware, research and related hardware and software; and (xi) extraordinary expenses, including expenses relating to litigation, proceedings or examinations by or involving the Internal Revenue Service or other governmental bodies or self-regulatory organizations. These fees and expenses are in addition to Management Fees, and shall be capped at 10% of the Fund's NAV, but are expected to be lower than the cap as the Fund grows its assets under management. Please note that the General Partner does not charge the Fund a 'performance fee', an 'incentive fee', or a 'promote'.

Fund expenses are deducted from client's capital account balances monthly, as they are accrued, and are paid to JBV Capital Management LP monthly in arrears.

**Most Portfolio Funds pay their Portfolio Managers management fees and in many cases incentive compensation. Management fees will generally range from 15% to 20% per annum of assets under management, and incentive compensation will generally be 10% to 20% of profits, often calculated annually but in some cases more frequently. Such management fees and incentive compensation assessed by such Portfolio Funds are in addition to the Management Fees and other expenses described herein, and are paid regardless of the overall performance of the Fund. However, most Portfolio Funds have provisions in place to protect investors, most notably "high water marks" which prevent the Portfolio Managers from charging incentive fees until they have fully recovered any previous losses. The JBV Absolute Return Fund LP does not charge an incentive fee and does not intend to invest in any Portfolio Funds that charge fees that are higher than the industry standard. All performance results presented in the JBV Absolute Return Fund LP marketing materials and other documents are shown net of all fees and expenses.**

**Investment in the Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the risks and the liquidity limitations inherent in an investment in such a fund. Investors in the Fund must be prepared to bear these risks for an extended time. No assurance can be given that the Fund's objectives will be achieved or that investors will receive a return of their capital.**

**Investment Minimum    \$1,000,000**

**Subscriptions    Monthly**

**Redemptions    Quarterly w/ 90 days' notice**

**Lock-up Period:    12 month hard lock**

**Investor Eligibility: Accredited Investor and Qualified Purchaser eligibility must both be met.**

**Methods of Analysis**

Portfolio Funds are selected through a proprietary quantitative screening process of a sample of funds obtained through JBV Capital's personal relationships, fund database screening, attendance of hedge fund manager conferences, capital introductions, and a focus of reputable, established funds. Further exhaustive qualitative due diligence is performed, including on-site diligence, gathering of referrals, and background checks, and lastly the portfolio manager analyzes the portfolio fit of the proposed investment and obtains approval of the General Partner.

Portfolio Funds will be added to the JBV Absolute Return Fund LP only after an extensive due diligence process, including on-site due diligence, manager background checks, historical quantitative analyses, reference checks and audited financial statement reviews, among other analyses have been completed.

At the time of investment, the General Partner will invest no more than 15% of the Fund's net assets in any one Portfolio Fund. In addition, at the time of investment, the Fund's investment in any Portfolio Fund will comprise no more than 10% of the assets of that Portfolio Fund. However, these investment percentages are anticipated to be lower, and therefore even more diversified.

**Investment Strategies**

In order to accomplish this goal, the Fund will invest its assets across a variety of investment partnerships or funds ("Portfolio Funds," the fund managers of which are referred to as "Portfolio Managers"), each of which is focused on generating positive returns regardless of the overall direction of various markets, including equity, fixed income, currency and commodity markets. This approach to investing is known as "Absolute Return" investing. Absolute Return contrasts with strategies that (i) depend more heavily on market directionality to generate returns and (ii) are generally designed to approximate or slightly outperform specific benchmarks or indexes. Generally, absolute return means achieving positive returns in any economic environment, without comparison to any benchmark. The ability of Portfolio Managers to generate "alpha" or absolute returns is in no way guaranteed. However, the General Partner feels that Absolute Return is the most intelligent way to invest in any market condition, because market risk can be eliminated, leaving the investor exposed to only idiosyncratic, manager-specific risk. This is the key to Absolute Return: a potential 50% reduction in risk through market neutrality.

**Strategies Used by Portfolio Funds**

The strategies used by the Portfolio Funds (and, by extension, the JBV Absolute Return Fund LP) fall into the following primary categories:

**Event-Driven.** Event-Driven strategies profit from changes in the prices of securities of companies facing a major corporate event. These securities may include different types



of equity (common or preferred) and many types of debt. The goal of an Event-Driven strategy is to identify securities with a favorable risk-reward ratio based on the probability that a particular event will occur. Such events include mergers and acquisitions as well as restructurings, spin-offs and litigation. Event-Driven strategies employed by Portfolio Funds are categorized as follows

**Merger/Risk Arbitrage** The Merger Arbitrage strategy involves taking short and long investment positions, respectively, in the stock of acquiring and target companies upon the announcement of an acquisition offer. Acquisitions are typically paid in stock, cash or a combination thereof. Thus, when an acquisition is announced, the acquiring company ("Acquiror") will establish a price per share for the company being acquired ("Target") in cash, stock or a combination thereof. Typically, the Target traded for less than the price being paid (in either cash or stock) prior to the announcement. When the announcement is made, the Target's stock price will typically increase but still trade at a discount to the price being offered by the Acquiror. This discount – and the size of the discount – is principally a function of three factors (a) the risk that the acquisition will not close, (b) the time frame for closing (i.e., the time value of money) and (c) the amount of liquidity or capital being deployed by merger arbitrageurs, proprietary trading desks of Wall Street investment banks (which have recently been all but eliminated- a positive for merger arb managers), hedge funds and other investors. Accordingly, if a merger arbitrageur or investor believes that the risk of the acquisition not closing is not significant relative to the returns that can be generated by the spread between the current stock price of the Target and the price being offered by the Acquiror, the merger arbitrageur or investor will generally buy shares of the Target and short shares of the Acquiror. When the deal closes, the risk premium is eliminated and the Portfolio Fund's generates a locked-in spread. The strategy is cyclical since it requires a supply of mergers and acquisitions to deploy capital.

**Distressed/Special Situations** Distressed investing includes investments in securities issued by companies that are experiencing difficult business conditions including bankruptcy. In many cases, securities issued by these companies over-correct and trade at levels below their value in a liquidation or acquisition scenario. Special Situations investments are similar to distressed investments in that the buyer perceives the securities to be undervalued for some reason, however these companies are not in bankruptcy. An example of a Special Situations trade is the purchase of a security that the Portfolio Manager believes is an acquisition target. Distressed investments are often the safest investments made by hedge funds, as they tend to invest in the highest priority or "super-senior" tranches of a company's capital structure.

**Relative Value** Relative Value strategies are categorized as Equity Market Neutral/ Statistical Arbitrage. Equity Market Neutral and Statistical Arbitrage involve purchasing equity securities and simultaneously selling short other securities in an attempt to isolate risk to the relative value of one security to another. In doing so, the goal is to eliminate market risk. Generally, managers who use fundamental analysis to establish the relative values of the securities in their portfolios are categorized as Equity Market Neutral, while those who use quantitative models to establish relative value are 'Statistical Arbitrageurs'.

**Capital Structure/Convertible/Volatility Arbitrage.** Capital Structure Arbitrage is used to exploit pricing inefficiencies within the tranches of a company's capital structure. A Capital Structure Arbitrageur analyzes a company's various securities, including common and preferred equity, convertible securities and various forms of senior and junior debt, and then establishes a long position in a security that is more attractive on a relative basis to another security in which a short position is established. In a successful trade, the long security appreciates in price relative to the shorted security and the Portfolio Manager then unwinds the trade at a profit. This strategy is market neutral because it can be profitable even if both securities decline in value, as long as the shorted security declines more than the long security. Companies in distress are used in this strategy because of the potential for vastly different recovery values for different securities in a bankruptcy. Healthy companies with complex balance sheets are also targets for these trades.

**Convertible Arbitrage** is a sub-strategy within Capital Structure Arbitrage and involves the purchase of a convertible debt or preferred equity instrument (an instrument that is essentially a bond or has a fixed obligation of repayment with an embedded equity option, warrants or any equity-linked component) concurrent with the short sale of, or a short derivative position in, the common stock of the debt issuer. Returns are driven by the coupon or dividend yield, interest on the short position and the level of the underlying stock's volatility which affects the option value of the security's conversion feature. The strategy is cyclical - the opportunities depend on the issuance of convertibles.

**Volatility Arbitrage** refers to the use of derivative investments and can be used on both a stand-alone basis and as a hedging strategy in conjunction with other investment strategies. As a stand-alone strategy, index options and/or options on futures contracts are used to exploit anomalies in the pricing of volatilities in related assets. There are several related securities and/or asset classes that Volatility Arbitrageurs typically follow to determine when they are out of their historical band of trading ranges. By continually monitoring these relationships, the Portfolio Manager can identify when the securities or asset classes trade out of their normal trading range, and put on a trade when there has not been a fundamental change in the relationship. Use of derivatives involves quantitative modeling, volatility estimation and proprietary trading models.

**Fixed Income/Credit Arbitrage.** Fixed Income Arbitrage is designed to identify and exploit anomalies (based on historical trading ranges) in spreads in the prices of similar or substitutable securities. Such disparities are often created by imbalances in supply and demand of different types of issues (for example, Agencies relative to U.S. Treasuries). An example of a fixed income arbitrage position consists of a long position in the higher yield, and therefore lower priced security and a short position in the lower yield, higher priced security. For example, Agencies of a similar duration as U.S. Treasuries have over time established a relatively well-defined trading range and carry a higher interest rate or "yield". When Agencies trade at a discount to this range (for example when there is discussion about whether Agencies should continue to receive a U.S. government guarantee), Agencies will trade at a higher than normal discount to U.S. Treasuries.

(reflected by a higher current yield in Agencies). Accordingly, the trader will buy Agencies and short Treasuries. When the spread narrows or becomes more in-line with historical norms, the trader generates a profit by closing its position. In general, these fixed income investments are structured with the expectation that they will be non-directional and independent of interest rate movements. Interest rate exposure is hedged out and these strategies generally exhibit little to no correlation to the broader equity and bond markets.

**Fixed Income Arbitrage** may also include buying fixed income or yield-bearing instruments with a higher coupon or yield and shorting a shorter duration instrument with a lower coupon. The Portfolio Manager earns a spread on the difference between the higher yielding long position and the lower yielding short position. Portfolio Managers generally use leverage in these positions to enhance return, particularly if the instruments are investment grade corporate securities or government securities. The principal risk in this strategy is rising interest rates, which often result in a greater decline in the value of the long position than in the short position. In such a case, the Portfolio Manager will either have to provide additional collateral to the lender or close the position at a loss.

**Other Strategies** Strategies that are neither Event-Driven nor Relative Value: **Global Macro.** Global Macro strategies typically seek to generate income and/or capital appreciation through a portfolio of investments focused on macro-economic opportunities across numerous markets and instruments. These strategies may include positions in the cash, currencies, and futures markets. Global Macro managers use long/short strategies, warrant and option arbitrage, hedging strategies, inter- and intra-market equity spread trading, futures, options and currency trading, emerging markets (debt and equity) and other special situation investing. Trading positions are generally held both long and/or short in both U.S. and non-U.S. markets. Global Macro strategies are generally categorized as either discretionary or systematic in nature and may assume aggressive investment postures with respect to position concentrations, leverage, portfolio turnover, and the investment instruments used. With a broader global scope, returns to the Global Macro strategy generally exhibit little to no correlation with the U.S. equity and bond markets.

**Currencies/Commodities** Trading strategies involving the use of currencies and commodities may or may not employ hedging, but the strategy is generally designed to generate returns with relatively low levels of volatility. Commodities are a natural inflation hedge and are therefore an appropriate addition to an Absolute Return portfolio.

#### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. A Limited Partner could incur substantial losses on an investment in the Fund. The Interests are only suitable for persons willing to accept this risk. These risks apply to all of the investment strategies detailed above. There can be no assurance that the Fund will successfully implement and execute its investment strategy. The availability of investment opportunities and the General Partner's ability to identify and invest in such opportunities may be limited by market conditions, investment minimums, investor qualification requirements, research capacity limitations and available cash.

**Although the Fund intends to invest in strategies which are designed to minimize the risk of loss through the structuring of positions, such strategies will nonetheless involve significant levels of risk as a result of market and issuer-specific factors affecting securities generally. Since the Fund may make only a limited number of investments and since many of these investments involve significant degrees of risk, poor performance by a few of the investments could severely affect the total returns to the Limited Partners. The Fund's investments are expected to include Portfolio Funds that invest in companies whose capital structures may include leverage. A leveraged capital structure will increase the exposure of that company to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the company or its industry. However, the Portfolio Manager monitors fund leverage closely and will not invest in fund deemed to use excessive leverage. The results achieved by the Fund will not necessarily reflect the performance of the 'backtested data' of the underlying portfolio, as illustrated in the Fund's marketing materials. There is no guarantee of a minimum rate of return or of a limit on losses in the Fund or any single investment. It should also be noted that the primary strategies employed by the Fund's underlying Portfolio Funds may include frequent trading and may generate short term capital gains or losses, which incur increased brokerage and other transaction costs, as well as higher rate short term capital gain taxes.**

Item 9      Disciplinary Information

There are no legal or disciplinary events (either past or current) related to the fund or its management personnel.

Item 10      Other Financial Industry Activities and Affiliations

JBW Capital Management LP's Principal, Mr. Benjamin Baldwin, is an Investment Adviser Representative, registered with FINRA and the Texas State Securities Board. The firm maintains an office in the State of Texas. There are no other financial industry activities or affiliations to report.

**Each individual belonging to the Target Group ("Target Group Employees") shall:**

**1 Act honestly and ethically**

**Carry out their duties in an honest and ethical way by ensuring that business policies and practices are aligned with ethical principles**

**Adhere to a high standard of business ethics**

**Maintain the confidentiality of confidential or privileged information acquired in the course of their work, except when disclosure has been authorized or is legally obliged**

**Act in good faith, responsibly, with due care and integrity, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated**

**Clearly communicate ethical expectations to those with whom they work**

**Refrain from using or appearing to use confidential information acquired in the course of one's work for unethical or illegal advantage either personally or through third parties**

**Ensure the integrity of records**

**2 Avoid conflicts of interest**

**A "conflict of interest" occurs when an individual's direct or indirect interest interferes or appears to interfere with the interests of JBW. A conflict of interest can arise when a Target Group Employee takes actions or has interests that may make it difficult to perform his/her work for JBW objectively and effectively or detracts from that individual's ability to devote appropriate time and attention to his/her responsibilities with JBW. For example, a conflict of interest would arise if a Target Group Employee, or a member of his/her family, receives improper personal benefits as a result of his/her position within JBW. Service to JBW should never be subordinated to personal gain and advantage**

**Each Target Group Employee shall:**

**Avoid actual or apparent conflicts of interest wherever possible**

Not take any actions and avoid any interests outside JBW that may make it difficult to perform his or her company work objectively and effectively. No direct or indirect financial interest in a supplier, customer or competing company is allowed, with the exception of a financial interest in a publicly traded company or financial interests through open-end investment funds or investments made by an investment manager without the Target Group Employee having any formal or actual, direct or indirect influence on the actual investment decisions.

Discuss any material transaction, relationship or situation that could reasonably be expected to give rise to a conflict of interest with the Compliance Officer.

**Take immediate action to resolve any control weaknesses that could materially affect the reliability of financial reporting and disclosures**

**7. Maintain a proper professional competence level**

**Ensure that their professional competences and skills are maintained at a level that is consistent with the responsibility of their job, with due observance of requirements from professional bodies regarding ongoing education.**

**8 Be accountable for adherence to the Financial Code**

**Ensure that the rules of the Financial Code are imposed on their subordinates who are performing certain accounting or financial functions and that they are made fully aware of this obligation.**

**Initiate management action if and when a (possible) violation of the rules of the Financial Code is noted within the organization.**

**All principals, directors, officers and employees (including contract employees and part-time personnel) of the Company and its affiliates are prohibited from engaging in Front Running or Insider Trading. This prohibition applies to both personal and client accounts. For purposes of this policy, 'Front Running' means the taking of a position in a personal account based on knowledge of an impending transaction by the Company or in the same or related instrument. Also, for purposes of this policy, 'Insider Trading' means (1) trading by an insider while in possession of material or market/price sensitive non-public information; (2) trading by a non-insider while in possession of material or market/price sensitive non-public information either improperly obtained by the non-insider or disclosed to the non-insider by an insider in violation of the insider's duty to keep it confidential; and (3) communicating material or market/price sensitive non-public information to others.**

**JBW Capital Management LP will provide a copy of its code of ethics to any client or prospective client upon request.**



The General Partner will be responsible for the placement of the portfolio transactions of the Fund and the negotiation of any commissions paid on such transactions. Portfolio securities normally will be purchased through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through brokers involve a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include the spread between the bid and the ask price. Portfolio transactions may be allocated to affiliates of the General Partner and/or members of the Investment Committee who are broker/dealers, in which case those affiliates would receive commissions or placement fees in respect of the Fund's portfolio transactions. However, JBW Capital Management LP will not participate in such commissions or placement fees or, to the extent they do so participate, such commissions or placement fees shall be repaid to the Fund on an equitable basis.

Securities transactions will be executed by brokers selected by the General Partner, in its sole discretion and without the consent of the Fund. In placing portfolio transactions, the General Partner will seek to obtain the best execution for the Fund, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the General Partner's other selection criteria.

The General Partner will be authorized to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with investment and research information or to pay higher commissions to such firms if the General Partner determines such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. The General Partner is not required to weigh any of these factors equally. Information so received is in addition to and not in lieu of services required to be performed by the General Partner, and the General Partner's Management Fees are not reduced as a consequence of the receipt of such research information. Research services provided by broker-dealers used by the Fund may be utilized by the General Partner or its affiliates in connection with its investment services for other accounts and research services provided by broker-dealers used for transactions of other accounts may be utilized by the General Partner in performing its services for the Fund. Since commission rates in the U.S. are negotiable, selecting brokers on the basis of considerations not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

The General Partner will have the option to use "soft dollars" generated by the Fund to

pay for the research-related services described above. The term "soft dollars" refers to the receipt by the General Partner of products and services provided by brokers without any cash payment by the General Partner, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the General Partner. The products and services available from brokers include both internally generated items (such as research reports) as well as items acquired by the broker from third parties (such as quotation equipment).

The use of brokerage commissions to obtain investment research creates a conflict of interest between the General Partner and the Fund, because the Fund will pay for such products and services that are not exclusively for the benefit of the Fund and that may be primarily for the benefit of the General Partner. To the extent that the General Partner is able to acquire these products and services without expending its own resources (including Management Fees paid by the Fund), the General Partner's use of "soft-dollars" would tend to increase the General Partner's profitability. In addition, the availability of these benefits may influence the General Partner to select one broker rather than another to perform services for the Fund. The Partnership Agreement specifically authorizes these practices to the fullest extent permitted by law.

**JBW reviews its clients' capital accounts on a monthly basis, at a minimum. In practice, however, the clients' accounts are being monitored daily. The Fund's Portfolio Manager conducts these reviews, and the Fund's Chief Compliance Officer conducts additional, secondary account reviews.**

**JBW does not accept benefits from non-clients for providing advisory services to clients. Therefore, JBW does not believe that there exist any arrangements or any conflicts of interests in this regard that require disclosure.**

**JBW may, however, enter into written fee sharing agreements with registered third parties who introduce their clients to the JBW Absolute Return Fund LP. Such fee sharing will not increase any fees paid by JBW's clients, and will be absorbed in their entirety by JBW Capital Management LP.**

**The Fund's cash on hand will be held in the custody of Wells Fargo Bank, N.A. which serves the Fund pursuant to an agreement under which it maintains separate accounts in the name of the Fund, holds and transfers cash to purchase portfolio securities on behalf of the Fund, accepts receipts and makes disbursements of monies on behalf of the Fund's Limited Partners, collects and receives all income and other payments and distributions on account of the Fund's securities, and provides monthly statements of the Fund's accounts to the General Partner. The majority of the Fund's assets are held in custody at the underlying Portfolio Fund level.**

**JBW's clients will receive account statements directly from JBW Capital Management LP, on a monthly basis. All clients should carefully review those statements.**

JBW Capital Management LP generally does not maintain any discretionary authority over client accounts. This does not, however, mean to imply that JBW Capital Management is prohibited from doing so. If JBW Capital Management LP accepts discretionary authority to manage securities on behalf of clients, this will only be done on an individual client basis, and only once a legal power of attorney has been executed.

**On occasion, JBV may receive and vote proxies relating to securities held by the underlying Portfolio Funds. In these cases, JBV relies on its Proxy Voting Policies and Procedures (which are generally designed to promote the interests of its investment fund clients), a copy of which is available by request, in determining votes. Information on JBV's actual proxy voting record may be obtained by calling 214-843-0440.**

No disclosure is applicable at this time. JBW Capital Management never solicits prepayment of fees from any client. Additionally, JBW Capital Management is not in any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.



**Benjamin Baldwin- Managing Director and Principal, Portfolio Manager**

**Benjamin Baldwin serves as Managing Director, Principal and Portfolio Manager of JBW Capital Management LP, where he is responsible for investment allocation, hedge fund research, due diligence and management of the JBW Absolute Return Fund, JBW Capital Management's proprietary hedge fund of funds product. Mr. Baldwin has over ten years of professional experience in the fields of investment management and investment banking**

**Prior to founding JBW Capital Management LP, Mr. Baldwin was an Assistant Portfolio Manager at a multi-billion dollar hedge fund. Mr. Baldwin was responsible for managing the Arbitrage and Absolute Return strategies at the fund, which totaled over \$10 billion of invested capital. Prior to this, Mr. Baldwin worked in the investment banking divisions of such firms as Bear, Stearns & Co. Inc. and Houlihan Lokey. In addition to his background in portfolio management, Mr. Baldwin also has experience in several areas of corporate finance including mergers and acquisitions, public and private placements of debt and equity, restructurings, fairness opinions, solvency opinions and business valuations**

**Mr. Baldwin is a member of the Harvard Clubs of New York City, Dallas, and Houston. He serves on Harvard College's undergraduate admissions committee for the State of Texas. Mr. Baldwin is also a member of the Alumni Board of Directors of St. John's School in Houston, Texas. Mr. Baldwin is an active volunteer and speaker for Donate Life America, a non-profit organization dedicated to increasing the number of registered donors in the United States. Mr. Baldwin is also an active volunteer for UNOS, The United Network For Organ Sharing, a non-profit, scientific and educational organization that administers the nation's only organ procurement and transplantation network, established by the U.S. Congress in 1984. Additionally, Mr. Baldwin serves on the Board of Directors of the Cystic Fibrosis Foundation of Northeast Texas**

**Mr. Baldwin earned his Bachelor of Arts degree from Harvard University in 2000, he is registered with FINRA and the Texas State Securities Board as an Investment Adviser Representative and maintains the General Securities Representative License (Series 7), the Uniform Securities Agent State Law License (Series 63), and the NASAA Uniform Combined State Law License (Series 66), required to provide investment advisory services to clients**