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**FORM ADV PART 2A**  
**BROCHURE**

**March 31, 2011**

**This brochure provides information about the qualifications and business practices of Kinney Asset Management, LLC, an investment adviser registered with the United States Securities and Exchange Commission. If you have any questions about the contents of this brochure, please contact us at 312-604-8151 or via e-mail at [brent@acaciacapitalllp.com](mailto:brent@acaciacapitalllp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.**

**Additional information about Kinney Asset Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Kinney Asset Management, LLC is 155498.**

**Registration with the SEC or any state securities authority does not imply a certain level of skill or training.**

## **Item 2 – Material Changes**

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This is our first brochure prepared in accordance with the SEC's "Uniform Requirements for the Investment Adviser Brochure and Brochure Supplements" and therefore we do not have any material changes to identify for you. When we make material changes to our brochure or to any brochure supplements, we will identify those changes under this heading.

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#### **Item 4 – Advisory Business**

Kinney Asset Management, LLC is a registered investment adviser based in Chicago, Illinois. We are organized as a Delaware limited liability company and have been providing investment advisory services since 2003. Peter Kinney is the majority owner/principal of the firm and owns 75%. He serves as the managing member. Gotham Advisers, LLC owns the remaining 25% interest in Kinney Asset Management LLC and does not actively participate in the daily operations of the firm. The principal owners of Gotham Advisers, LLC are Joel Greenblatt 42.21% and Robert Goldstein 35.18%. The firm's primary focus is managing the pooled investment vehicle Acacia Capital, LP, a Delaware limited partnership organized in February 2003 (the "Fund"), and we also provide portfolio management services to separately managed accounts based on the same value investment strategy used to manage the Fund. We invest primarily in equity securities globally that fit the requirements of the managing members value driven philosophy which focuses on a relatively small number of domestic and international equities that we believe are likely to experience long term appreciation. The following paragraphs describe our services and fees and how we tailor our advisory services to your individual needs.

##### *Portfolio Management Services – Separately Managed Accounts*

We provide investment advice tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information ("suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather from our initial meeting to develop a strategy that enables our firm to give you continuous and focused investment advice and to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investment objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

Our investment advisory agreement contains an authorization by which you grant us discretion to make purchase and sales for your account without requiring us to obtain your consent or approval prior to each transaction, to select the type and amount of securities that we buy or sell for your account, the broker or dealer we use to effect such transactions and the commission rates paid. However, you may specify your investment objectives and guidelines, select your portfolio strategy and impose certain restrictions or investment parameters for your account. For example, you may specify that investments in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrict or prohibit transactions in the securities of a specific industry or issuer.

Both parties may terminate the investment advisory agreement, these terms will be determined on an individual basis. Upon termination, you will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

##### *Pooled Investment Vehicle – Acacia Capital, LP*

We serve as the investment manager to the Fund, The Fund has been our primary investment management client since our inception as an investment adviser. Its investment objective is to provide investors with an above average long-term absolute return from a portfolio invested primarily in equity securities located outside the United States. Investors should refer to the Fund's private offering memorandum or organizational documents for a complete description of the Fund, including its strategies, risks and expenses.

For purposes of relying upon an exemption from securities registration under the Securities Act of 1933, as amended (the "Securities Act"), the Fund limits investment in the Fund to "accredited investors" as defined in Regulation D of the Securities Act. Generally, the term "accredited investors" includes

individuals who have a net worth of at least \$1,000,000 (excluding any net equity from their primary residence) or who have individual income of at least \$200,000 each year for the last two years (or joint income of \$300,000 with his or her spouse) and have the expectation to earn the same amount this year. In addition, the Fund which is a 3(c)7 investment partnership operates under an exemption from registration under the Investment Company Act of 1940, as amended, that limits the number of investors in the Fund to 499 beneficial owners. Due to the fact that we receive a performance allocation for the services we provide to the Fund (discussed below), investors in the Fund must also be “qualified purchasers,” as defined under the Investment Advisers Act of 1940, as amended. Generally, the term “qualified purchaser” includes natural persons who have a net worth greater than \$5,000,000 or a qualified institutional buyer with not less than \$25,000,000 in investments.

#### *Assets Under Management*

As of March 31, 2011, we manage \$ 202,898,955 in client assets on a discretionary basis. We do not manage assets on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

Fees for both our separately managed accounts and the Funds are discussed in this item.

#### *Separately Managed Accounts*

We charge an annual management fee of 1% of your assets under management. Our advisory fee is billed and payable quarterly in arrears, based on the value of your account at the end of the quarter based on (1/4 of 1%), or (1/12 of 1%) if accrued monthly. If the investment advisory agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Clients are also subject to the incentive management fee described in Item 6 below.

We will send you an invoice showing you the amount of fee's due along with the account value, and change of value for incentive fees, on which the fee is based and how the fee was calculated, unless you have an administrator which calculates it for you. In that case we will provide their support of the amount due for the invoice. Clients hold ultimately responsibility of remitting payments as we do not deduct fees directly from your account. We urge you to review all statements received from your custodian for accuracy.

#### *Acacia Capital LP*

We receive a management fee (“Management Fee”) and performance allocation (“Performance Allocation”) for serving as investment manager to the Fund. At the end of each calendar quarter, the limited partners pay to us, as the general partner, a management fee in an amount equal to 0.25% of the balance of such account as of the end of such quarter (a 1.0% annual rate), calculated before giving effect to any withdrawals and/or any incentive allocation charged against such account as of the end of such quarter. The management fee is prorated if the capital account against which it is charged was established other than as of the beginning of a calendar quarter. Clients are also subject to the incentive management fee described in Item 6 below.

#### *Additional Fees and Expenses*

Our fees are exclusive of brokerage commissions, custodial fees, transaction fees and other related costs and expenses. These charges and fees are typically imposed by the broker-dealer or custodian through which client account transactions are executed. We do not share in any portion of these commissions, fees and costs. Please refer to “Item 12 - Brokerage Practices” for a description of the factors we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

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

In addition to the assets under management fees described in Item 5 above, all clients are subject to an incentive management fee of 20% of net profits (including realized and unrealized gains and losses) after management fees are deducted. The incentive allocation is subject to a "high-water mark," that if the account suffers a net loss in any period followed by a net profit, there will not be an incentive fee charged until the net loss has been fully recovered. The "High Water Mark" is the highest level of net profit in respect to the account as of the end of any prior incentive allocation calculation period for such investor, or \$0, if no incentive allocation has previously been charged. Any new managed account clients fee arrangements are subject to negotiation.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, the principal of our firm is responsible for ensuring that investments are suitable for each client and in compliance with applicable investment guidelines and objectives.

Performance based fees also may create an incentive for our firm to overvalue investments that lack a market quotation. To address this possible conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments that do not have a readily ascertainable value.

## **Item 7 – Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and pooled investment vehicles that are not registered with the SEC as investment companies under the Investment Company Act of 1940.

We do not have a set minimum account size for separately managed accounts; however we do not anticipate that we would accept less than \$10,000,000 for the establishment of an account. We may consider accepting less than this amount at our discretion if, for example, you appear to have significant potential for investing greater amounts with us in the future or have a relationship with us through a prior investment in our Fund. We may also aggregate related client accounts to meet this account minimum at our discretion. Generally, we encourage investors and potential investors to consider the Fund when considering making an investment with us.

Investment in the Fund generally requires a minimum investment of \$1,000,000, although the manager or general partner, respectively, may accept lesser amounts in its discretion. In addition, investment in the Fund is limited to "accredited investors" within the meaning of Regulation D under the Securities Act of 1933, as amended, and "qualified purchasers" as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended. The Fund's private offering memorandum or organizational documents includes a complete discussion of the eligibility requirements applicable, including the applicable lock-up period.

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

Our firm relies primarily on its independent, internally generated research to uncover companies that we feel the market either doesn't understand or has temporarily mispriced. In selecting companies in which to invest, we emphasize companies that have stability (predictability) in earnings, that generate strong free cash flows, and that we believe are selling at a discount to their intrinsic value. We base our assessment of companies on qualitative criteria including: the general reputation of the company, stability of the organization, our subjective view on the quality of management, and information obtained through interviews with management, as well as the company's competitors and suppliers. In addition, our firm may utilize quantitative analysis examining factors such as revenues, earnings, margins and market

share. The Fund invests primarily in the equity securities of companies which may be skewed to smaller less liquid stocks, located outside the United States offering the potential for price appreciation.

In managing separately managed accounts and the Fund, we may invest in a wide variety of securities and financial instruments, domestic and foreign, whether publicly traded or privately placed. Clients' assets typically will be invested in publicly traded equity securities. Our investments may include common and preferred stocks, bonds and other debt securities, limited partnership interests, mutual fund shares, exchange-traded funds, options, warrants, futures, currencies, monetary instruments and cash and cash equivalents.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon the stated objectives of the Funds and, in the case of separately managed accounts, your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, tax considerations, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. We set forth below material risks of investing with us.

### Other Risks

- *Stock Market Risk.* There is a risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- *Non-U.S. Investments.* Investments in securities of non-U.S. issuers and the governments of non-U.S. countries involve special risks not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, social, political and economic instability and adverse diplomatic developments; the possibility of the imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the United States, and such markets may not provide the same protections available in the United States. With respect to certain countries there may be the possibility of political, economic or social instability, the imposition of trading controls, import duties or other protectionist measures, various laws enacted for the protection of creditors, greater risks of nationalization or diplomatic developments which could materially adversely affect investments in those countries. Investment in non-U.S. countries may also be subject to withholding or other taxes, which may be significant and may reduce the investment returns.
- *Country Risk.* Domestic events -- such as political upheaval, financial troubles, or natural disasters -- may weaken a country's securities markets. Because we may invest a large portion of a client's assets in securities of companies located in any one country,

performance may be hurt disproportionately by the poor performance of investments in a single country.

- *Small-Cap Investing.* Small companies tend to be more vulnerable to adverse developments than larger companies. Small companies may have limited product lines, markets, or financial resources, or they may depend on less seasoned management. Their securities may trade infrequently and in limited volumes. As a result, the prices of these securities may fluctuate more than the prices of securities of larger, more widely traded companies. Also, there may be less publicly available information about small companies or less market interest in their securities as compared with larger companies, and it may take longer for the prices of these securities to reflect the full value of their issuers' earnings potential or assets.
- *Frequent Trading.* We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.
- *Margin Risk.* Margin accounts present special risks because you can lose more money than you deposit in your account. Additionally, the custodian can force the sale of securities in your account and can sell securities without contacting you.
- *Options.* The trading of options may be highly speculative and may entail more risk than those present when investing in other types of securities. Prices of options are generally more volatile than prices of other types of securities. When trading in options, you may run the risk of losing the entire investment in a relatively short period of time. In more risky options strategies, an investor could theoretically have an unlimited risk of loss.
- *Currency Risks.* Purchasing instruments denominated in foreign currencies or engaging in currency trading has certain risks, including illiquidity, blockages by governments, political unrest or other factors, failure or inability to deliver, pressures from speculators, and other factors that can result in losses with respect to such instrument and currencies, notwithstanding any nominal returns or value. In addition, to the extent that currency risk is not hedged, changes in the values between the denominated currency of your account and other currencies can increase or reduce the actual returns from investments denominated in other currencies. Your account may at times have significant currency exposure. Therefore, market movements in the underlying currencies could result in substantial losses.
- *Liquidity Risk.* For investors in the Funds, there is no public market for the interests in the Funds nor is any expected to develop. Even if such a market develops, no distribution, resale or transfer of an interest in the Funds will be permitted except in accordance with the restrictions in the partnership agreement. Any transfer of an interest in the Fund will require the general partner's consent. Restrictions on the transfer of interests and on withdrawal are explained in more detail in the offering documents of the Fund and are available on request.
- *Tax Implications.* Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.



## **Item 9 – Disciplinary Information**

Neither our firm nor any of our management persons have been involved in any legal or disciplinary events.

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

As the investment manager of the Fund, we may recommend that you invest in the Fund, which is pooled investment vehicle described above “Item 4 - Advisory Business.” We receive both asset-based fees and a performance allocation in the Fund and on separately managed accounts. We ensure that recommendations we make are suitable for each investor and that investment ideas are fairly allocated between accounts given each accounts circumstances.

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

### Description of Our Code of Ethics

We have adopted a Code of Ethics, the full text of which is available to you upon request. We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our firm's employees. Provisions in the Code of Ethics relate to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with clients. All of our employees are expected to adhere strictly to these guidelines and must acknowledge their obligation to comply with the Code of Ethics annually. Our Code of Ethics also requires that certain employees submit reports of their personal account holdings and transactions to our Chief Compliance Officer who will review these reports on a periodic basis.

Please contact us to obtain a copy of our Code of Ethics.

### Participation or Interest in Client Transactions

As described above, we serve as the investment manager to The Fund a private pooled investment vehicle in which you may be solicited to invest. Persons associated with our firm may have significant investments in the Funds and may therefore have an incentive to recommend the Funds over other investments. Our firm will recommend an investment in the Funds only if such an investment is consistent with a client's investment objectives and after providing full disclosure of the fees and other terms applicable to an investment in the Fund.

### Personal Trading Practices

In appropriate circumstances consistent with our clients' investment objectives, we may cause certain client accounts to purchase or sell securities in which certain employee's and/or our clients (including the pooled investment funds referenced above) directly or indirectly have a position or interest. Those employee's directly related to providing investment advice to clients are required to comply with our Code of Ethics prior to investing for their own accounts in securities that are recommended and/or purchased for our clients. The Code of Ethics is designed to assure that the personal security transactions, activities and interests of those individuals will not interfere with making investment decisions in the best interests of our clients. Under our Code of Ethics, personal securities transactions generally must be cleared with our Chief Compliance Officer. However, certain classes of securities (including mutual funds) and transactions (including non-volitional stock splits, etc.) are designated as exempt from pre-clearance requirements, based upon a determination that trading in these securities would not materially interfere with the best interest of our clients. There is a possibility that our employee's or existing clients may

benefit from market activity by another client. Personal trading by Covered Persons (generally our principals, investment personnel and other persons who have access to investment recommendations) is monitored under our Code of Ethics to reasonably prevent conflicts of interest with our clients.

We may aggregate trade orders to purchase securities for clients. Please refer to “Item 12 - Brokerage Practices.”

## **Item 12 – Brokerage Practices**

We maintain trading relationships with several broker-dealers. For separately managed accounts, while you are free to choose any broker-dealer (see “Directed Brokerage” below), we recommend that you establish an account with a brokerage firm with which we have an existing relationship. We seek to ensure that the broker-dealers we use to execute trades are doing so in a competitive fashion for our clients. Specifically, in choosing a broker-dealer to execute a transaction, we seek to obtain “best execution” for the affected client’s account, meaning a combination of the best net price and execution under the circumstances. We determine which broker-dealer provides best execution taking into consideration (i) the ability of the broker or dealer to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any), (ii) the operational efficiency with which transactions are effected (taking into account the size of the order and difficulty of execution), (iii) the financial strength, integrity and stability of the broker or dealer, (iv) the quality, comprehensiveness and frequency of available research services considered to be of value, and (v) the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria. In recognition of the value of research services and additional brokerage products and services (discussed further under “Soft Dollar Practices” below), we may pay higher commissions and/or trading costs than those that may be available elsewhere. In addition, although such products and services may generally benefit our firm, they may not directly relate to transactions executed on your behalf.

### Soft Dollar Practices

In selecting or recommending a broker-dealer, we will consider the value of research and additional brokerage products and services a broker-dealer has provided or will provide to our clients and our firm. Research products our firm may receive from broker-dealers may consist of economic surveys, data and analyses, financial publications and recommendations or other information about particular companies and industries (through research reports and otherwise).

These benefits may influence us to select one broker over another to perform services for our client accounts. Nevertheless, we will attempt to assure either (i) that the fees and costs for services that brokers offering these benefits provide are not materially greater than services performed by brokers not offering such benefits or (ii) that our client accounts also will benefit from those services.

“Soft dollars” refers to the receipt by an investment adviser of products and services that brokers provide, without making any separate cash payments for such products or services, based on the volume of commission revenues generated from securities transactions placed with those brokers on behalf of the adviser’s clients. The products and services available from brokers include both internally generated items (such as research reports prepared by the broker’s employees) as well as items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the Securities Exchange Act of 1934, as amended, provides a “safe harbor” to investment advisers who use soft dollars generated by their client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities.

Our use of brokerage commissions to obtain research services creates a conflict of interest between us and you, because you pay in the form of higher commissions for products and services that are not exclusively for your benefit and may be primarily or exclusively for our benefit. To the extent that we are able to acquire these services without expending our own resources, our use of soft-dollars would tend to

increase our profitability. In addition, we do not limit soft dollar benefits to those client accounts generating such benefit, nor do we allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

For the sake of clarification, our firm uses research to assist us in making our investment decisions, not just for those accounts whose commissions may be considered to have been used to pay for such research. However, such research products and services are provided to all investment advisers who utilize these firms, and are not necessarily considered to be paid for with soft dollars.

#### Directed Brokerage

Clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent us from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you. We encourage clients to contact us to discuss their available alternatives.

#### Aggregation of Orders

To ensure that accounts of all clients and portfolios, including the Funds, are treated fairly in the event we place orders for the same security for more than one account at or about the same time, we may combine orders placed on behalf of clients, including advisory accounts in which our firm or our employees have an interest, for the purpose of negotiating brokerage commissions or obtaining a more favorable price. When appropriate, securities purchased or sold may be allocated in terms of amount to a client according to the proportion that the size of the order placed by that account bears to the aggregate size of orders contemporaneously placed by the other accounts, subject to de minimis exceptions. All participating accounts will pay or receive an average price when orders executed on the same day are combined.

### **Item 13 – Review of Accounts**

#### Review of Accounts

Peter Kinney, our Managing Member, monitors accounts on an ongoing basis and conducts an internal review of accounts on at least a quarterly basis to assure conformity with investment objectives and guidelines. Triggering factors that may stimulate an interim review include, but are not limited to:

- significant market corrections,
- large deposits or withdrawals from an account,
- substantial changes in the value of a client's portfolio,
- a change in a client's investment objectives,
- year-end tax planning, and/or
- security-specific events.

#### Reports to Clients

We may provide periodic performance reports upon your request. In addition, you will receive written statements directly from your account custodian on at least a quarterly basis.

We will deliver to investors in the Fund audited written financial reports annually within 120 days after the end of each fiscal year. In addition, investors will receive unaudited written quarterly summaries of the

Fund. Other information may be provided upon request to all or individual investors at the Fund's sole discretion.

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

We do not compensate any persons for client referrals nor do we receive any additional compensation beyond that described in this Brochure.

#### **Item 15 – Custody**

We do not directly debit your account for advisory fees, clients remit payments for separately managed accounts upon receipt of an invoice from us. Your funds and securities will be held with a bank, broker-dealer, or other independent "qualified custodian" (as defined in the SEC's custody rule). You will receive account statements from the qualified custodian holding your funds and securities at least quarterly. We urge you to carefully review such statements and compare the account statements received from the custodian with any statements you receive from us.

We serve in the capacity as general partner to the Fund, as discussed elsewhere in this brochure, and we therefore are deemed to have custody of the Fund's cash and securities. We maintain the Fund's account with a "qualified custodian" and provide investors in the Fund with an annual financial statement within 120 days of the end of the Fund's fiscal year.

#### **Item 16 – Investment Discretion**

Our investment advisory agreement or, in the case of a pooled investment vehicle, its limited partnership agreement, limited liability company agreement or subscription agreement, contains an authorization by which you grant us discretion to make purchase and sales for your account or the pooled vehicle's account without requiring us to obtain your consent or approval prior to each transaction, to select the type and amount of securities that we buy or sell for your account or the pooled vehicle's account, the broker or dealer we use to effect such transactions and the commission rates paid. However, in the case of a separately managed account, you may specify your investment objectives and guidelines, select your portfolio strategy and impose certain conditions or investment parameters for your account. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security.

In all cases, we exercise our discretion in a manner consistent with the investment objectives you state for your account or as stated in a pooled investment vehicle's offering documents, as applicable. In the case of a separately managed account, we may ask you to provide us with written investment objectives or guidelines or to confirm your objectives, guidelines or any trading restrictions when you open your account or at any time after we begin to manage your account.

#### **Item 17 – Voting Client Securities**

We, as a matter of policy and as a fiduciary to our clients, have a responsibility for voting proxies for portfolio securities that we manage consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

Consistent with our policy, our Chief Compliance Officer must identify any material conflicts of interest related to proxy voting. A conflict of interest may exist, for example, if we have a business relationship

with (or are actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Any individual with knowledge of a personal conflict relating to a particular proposal must disclose that conflict to our Chief Compliance Officer and otherwise remove himself or herself from the proxy voting process. If a material conflict of interest arises, we will (i) refer the matter to a third-party proxy voting service; or (ii) prepare a report that (A) describes the conflict of interest; (B) discusses procedures used to address such conflict of interest; (C) discloses any contacts from outside parties (other than routine communications from proxy solicitors) regarding the proposal; and (D) confirms that the recommendation was made solely on the investment merits and without regard to any other consideration. We will retain a copy of such report with the proxy voting log.

Clients of separately managed accounts may retain their proxy voting rights. With respect to securities we manage for the Fund, decisions will be made in light of the anticipated impact of the vote on the desirability of maintaining an investment in a company, from the viewpoint of the best interests of the Fund, without regard to any other interests. Neither the Fund, nor the investors in the Fund, may direct our vote in a particular solicitation.

If you hold an interest in the Fund or have an account with us, you may contact us for specific voting guidelines or information on how our firm voted with respect to securities we manage by calling us as at 312-604-8151 or via e-mail at [brent@acaciacapitalllp.com](mailto:brent@acaciacapitalllp.com).

#### **Item 18 – Financial Information**

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We are required in this item to provide you with any information about our financial condition that is reasonably likely to impair our ability to meet its contractual commitments to you. There is no such information, as we have ample capital and resources to meet all of our obligations.