

Jacobs Asset Management, LLC

11 East 26th Street, Suite 1900
New York, NY 10010

(212) 271-5526

March 28, 2014

This Brochure provides information about the qualifications and business practices of Jacobs Asset Management, LLC (“JAM”, “Adviser”, “We”, “Our”, or “Management Company”). JAM is an SEC registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

This document is not an advertisement, an offer to sell or the solicitation of an offer to purchase interests in any fund managed by JAM. Offers to invest in any such interests may be made only pursuant to appropriate offering documents. Investors must be qualified and approved prior to investing.

If you have any questions about the contents of this Brochure, please contact us at (212) 271-5526. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about JAM is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

JAM has updated this Form ADV Part 2A (brochure) as part of the annual amendment process. The information in this brochure does not reflect material changes to the information contained in our previously filed brochure dated March 31, 2013. There have been no material changes to the Firm's business practices in the past year and therefore no material changes have been made to this brochure.

Item 3: Table of Contents

Item 1: Cover Page	i
Item 2: Material Changes	ii
Item 3: Table of Contents	iii
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees and Side-By-Side Management	7
Item 7: Types of Clients	8
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9: Disciplinary Information	15
Item 10: Other Financial Industry Activities and Affiliations	15
Item 11: Code of Ethics	16
Item 12: Brokerage Practices	18
Item 13: Review of Accounts	19
Item 14: Client Referrals and Other Compensation	20
Item 15: Custody	20
Item 16: Investment Discretion	20
Item 17: Voting Client Securities	21
Item 18: Financial Information	21

Item 4: Advisory Business

JAM, established in 1995, provides investment management services on a discretionary basis to privately offered pooled investment vehicles exempt from registration under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940, as amended. The investors in the private funds are accredited investors or qualified purchasers as defined in the Investment Company Act. The principal owner of JAM is Seymour (Sy) Jacobs. JAM serves as investment adviser to the following private equity and hedge funds:

- JAM Partners, LP
- JAM Consolidation Fund, LP
- JAM Recovery Fund, LP
- JAM Special Opportunities Fund, LP
- JAM Special Opportunities Fund II, LP
- JAM Special Opportunities Fund III, LP
- RM Servicing Holdings, LLC

JAM Partners, LP is a hedge fund. The other funds listed above are structured as private equity funds in that each fund has a defined investment period and ultimately a defined termination date. They require capital commitments from investors and are closed-end vehicles (no new investors are accepted after completion of the fundraising stage). The private equity funds may invest in both privately-held and publicly traded securities.

JAM does not provide investment advice to investors in the funds. All private funds to which JAM provides investment advice are collectively referred to herein as the “JAM Funds” unless otherwise specified.

In addition, JAM serves as investment adviser for a separately managed account and may advise other separately managed accounts in the future (the “Managed Accounts”), some of which may be organized to invest alongside certain JAM Funds on such terms as are determined by JAM with respect to each investment and co-investor and as outlined in the respective investment management agreements. Managed Accounts and the JAM Funds to which JAM provides investment advice are collectively referred to herein as the “JAM Clients” unless otherwise specified. We may, in the future, organize additional investment vehicles or manage other separately managed accounts that follow an investment program similar to or different from the investment program of the current JAM Clients.

As of December 31, 2013 regulatory assets under management were approximately \$828,700,000.

Item 5: Fees and Compensation

Management Fees: Hedge Fund

JAM receives a management fee at the annual rate of 1.0% or 1.5% of each limited partner's interest, depending on the class of limited partnership interest, as described more fully in the limited partnership agreement. The management fee is payable quarterly in advance within 10 days after the beginning of each fiscal quarter and is calculated based on the value of the net assets of the hedge fund at the beginning of the fiscal quarter. The fee is adjusted for contributions or withdrawals made during the quarter and is prorated for periods less than a full fiscal quarter.

Although the management fee is not negotiable, JAM, in its sole discretion, may waive or modify the management fee for certain limited partners including members, employees or affiliates of the general partner or the Management Company, or other strategic investors. Management fees are calculated by the administrator, approved by JAM and deducted from each investor's capital account.

Investment management services may be terminated in accordance with the terms outlined in the agreements.

Management Fees: Private Equity Funds

The specific details of each fund's fees and methods of calculation are outlined in the respective offering documents. In general, JAM receives a management fee at an annual rate of 1.5% - 2.0% of total capital commitments during the commitment period. Generally, the fee is payable quarterly in advance on the first day of each calendar quarter. Following the commitment period, the management fee is calculated based on the amount of each limited partner's aggregate unreturned capital at the end of the immediately preceding calendar quarter.

Although the management fee is not negotiable and is not currently being waived or modified, JAM, in its sole discretion, may waive or modify the management fee for certain limited partners including members, employees or affiliates of the general partner or the Management Company, or other strategic investors. Management fees are calculated by the administrator, approved by JAM and deducted from each investor's capital account.

Certain fund investments may provide opportunities to generate additional income for both the fund and members of the general partner or Management Company. For example, certain investments may provide one or more members of the general partner or Management Company the opportunity to sit on a Portfolio Company's board of directors. Additionally, fund investments may generate other consulting revenue. In general, traditional board member compensation, such as fees or options received by a member of the general partner or Management Company for serving as a director of any Portfolio Company is retained by the member. Any other fees received, such as monitoring fees, will reduce the management fee in accordance with the specific terms outlined in each respective fund's offering documents.

Jacobs Asset Management, LLC

Investment management services may be terminated in accordance with the terms outlined in the agreements.

Management Fees: Separately Managed Accounts

Fees and payment terms with respect to separately managed accounts are negotiated on a case by case basis and have historically been based on a percentage of the commitment amount or a percentage of the net asset values of the account. The details are agreed upon and outlined in the investment management agreement in place with each client. Investment management services may be terminated in accordance with the terms outlined in the agreements.

Other Fees: Hedge Fund and Private Equity Funds

In addition to the management fee, each JAM Fund bears its allocable share of expenses associated with the operations of the funds including, but not limited to:

- Organizational expenses, including legal, accounting and administration fees, filing fees, and all other out of pocket expenses reasonably incurred in connection with the organization of the JAM Funds.
- Ongoing expenses, including costs relating to the due diligence of prospective Portfolio Companies (as defined herein), legal, tax, accounting, auditing, administration, independent valuations and other professional advice and the advice of other consultants and experts on behalf of the JAM Funds.
- Investment expenses, including commissions, certain research fees, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, bank service fees all other investment related expenses of any type;
- Extraordinary expenses such as litigation and indemnification; and
- Due diligence and related travel expenses.

Potential investors should review the appropriate offering documents for complete disclosure of investor expenses.

Other Fees: Separately Managed Accounts

In addition to the management fee, other separately managed accounts may be responsible for certain expenses incurred by or on the behalf of JAM directly associated the co-investment, including but not limited to, fees and costs relating to the management of the disposition of the investment. The dollar amount of these expenses may be subject to limitations.

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

Hedge Fund

In addition to the management fee, investors in the fund are subject to an incentive fee equal to 20% of the fund's net profits, payable to JAM Managers, LLC, the general partner and an affiliate of JAM. The incentive fee is subject to a loss carryforward provision as outlined in the fund offering documents and is payable at the end of each fiscal year. JAM, in its sole discretion, may waive or modify the incentive allocation for certain limited partners that are members, employees or affiliates of the general partner or the Management Company, or other strategic investors. The specific details of each fund's fees and methods of calculation are outlined in the respective offering documents.

Private Equity Funds

As each fund makes distributions to its investors attributable to the disposition of investments, JAM receives a carried interest, or a percentage of cumulative amounts distributed to each investor, subject to certain threshold returns to the investors. Carried interest for these funds may be payable upon the realization of income related to the disposal of certain assets of the fund and may be subject to claw back provisions pending the ultimate liquidation of the fund. Such carried interest payments are based upon the performance of fund investments and are considered to be "performance-based fees". JAM, in its sole discretion, may waive or modify these arrangements for limited partners that are members, employees or affiliates of the general partner or the Management Company, or other strategic investors. The specific details of each fund's fees and methods of calculation are outlined in the respective offering documents.

Separately Managed Accounts

JAM is entitled to performance fees based on cash proceeds received by each client. Cash is distributed to the client and the investment manager in an order of priority and in accordance with the meeting of certain thresholds as outlined in each investment management agreement.

Conflicts Surrounding Performance-Based Fees

Performance-based arrangements may create an incentive for JAM to recommend investments that are more risky or speculative than those that would be recommended under a different fee arrangement. Performance-based arrangements also create an incentive to favor higher paying accounts over lower paying accounts in the allocation of investment opportunities. Additionally, under a performance-based structure, JAM may benefit when capital gains are recognized and, because it determines when an investment is sold, JAM controls the timing of the recognition of capital gains. JAM or its affiliates, or their respective principals or personnel, may also own a portion of funds or accounts that JAM manages. This may create a similar performance-based incentive to that mentioned above. To address these conflicts, our policies and procedures require that investment decisions be made based on the best interests of our clients, without consideration of firm or employee pecuniary interests.

To address the conflicts of interest associated with the allocation of trading and investment opportunities, JAM adopted an investment allocation policy and trade allocation procedures that govern the allocation of portfolio transactions and investment opportunities across accounts. This policy requires JAM to treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits JAM from favoring any particular advisory account because of the ownership or economic interests of JAM, its affiliates or employees, in the performance of such advisory accounts. JAM's allocation policy seeks to ensure that JAM allocates investment

opportunities across accounts fairly and equitably over time based upon its policies and procedures.

Item 7: Types of Clients

As described in Item 4 above, JAM's Clients are private funds and separately managed accounts consisting of institutions and high net worth investors. The investors in the private funds are primarily accredited investors or qualified purchasers as defined in the Investment Company Act, and may include, amongst others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, limited partnerships and limited liability companies.

The offering documents of each JAM Fund set minimum amounts for investment by prospective investors in such funds. These minimum amounts may be waived by JAM or an affiliate for one or more investors (or prospective investors) as long as they qualify to invest based on all other suitability and regulatory requirements. JAM may decline to accept an investment even if the proposed investor satisfies such suitability and regulatory requirements.

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

Hedge Fund

Investment Objective, Strategy and Methods of Analysis

The investment objective of the hedge fund is to achieve capital appreciation primarily through investment in equity securities JAM believes are undervalued with a multi-year time horizon. We invest predominantly in U.S. publicly-traded securities of finance companies including banks, thrifts, brokers, asset managers, insurance, mortgage, specialty finance, REITs, homebuilders, financial technology, and other financial intermediaries.

The fund sells short stocks we believe are overvalued and uses other instruments to neutralize market risk so that the performance of the fund reflects our specific stock picking results rather than the fluctuations and trends of the broad market. The fund may take either long or short positions in both U.S. and foreign securities, may hedge the portfolio through options or other instruments, may purchase securities on margin, and may invest in restricted stock of privately held companies or unregistered securities of publicly-held companies.

The investment approach of the fund is research intensive and may be contrarian in nature. The fund intends to focus on small and medium capitalization companies where we perceive that the stock market either misunderstands a company's prospects or is largely ignoring the company. Furthermore, we believe that the stock market's migration towards "momentum" investing (the concept that earnings and stock prices will continue to head in the direction they have been heading) creates tremendous opportunities for those who take the time to understand a company's value and prospects rather than assume that a company's immediate future will look like its immediate past.

JAM also believes that momentum investing contributes to excessive stock price swings in both directions and creates trading opportunities even in stocks that are held for long term investment. Short-term trading is a secondary focus of the fund.

Material Risks of Loss

An investment in the fund is speculative and one that is not intended to be a complete investment program, especially given that our strategy is to focus on investments in the financial services sector. The fund is designed only for sophisticated persons who are able to bear the risk of the loss of their entire investment. There can be no assurances that the fund will achieve its investment objective. Investors should carefully evaluate the following considerations, in conjunction with complete details outlined in the Fund Offering Memorandum and Limited Partnership Agreement, before investing in the fund.

Market Risks

The profitability of a significant portion of the fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the fund will be able to predict accurately these price movements. With respect to the investment strategy utilized, there is always some, and occasionally a significant, degree of market risk.

Short Sales and Options

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the portfolio. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security which could result in an inability to cover the short position or theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase. Purchasing put and call options, as well as writing such options, while often utilized to hedge investments, are highly specialized activities and entail greater than ordinary investment risks. Trading in futures contracts and options thereon are highly specialized activities which, while they may increase the total return on the fund's investments, may entail greater than ordinary investment risks.

Foreign Securities

Investing in securities of foreign governments and companies which are generally denominated in foreign currencies, and utilization of foreign currency forward contracts and options on foreign currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States Government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Private Placements and Other Similar Investments; Other Restrictions

Investments in private placements and other similar investments may involve a high degree of business and financial risk, including execution and operational risks associated with start-up companies that can result in substantial losses. In addition, there is no existing market for the purchase and sale of such investments so that such investments may be difficult to value. The fund may not be able to readily sell such investments. Also, there are times where the principal or a member of the general partner will be involved as a director in Portfolio Companies owned by the fund. Such a relationship with a Portfolio Company may restrict the fund from buying or selling stock in that company for periods of time while the principal or member of the general partner is a director.

Leverage

While the use of borrowed funds can substantially improve the return on invested capital, their use may also increase the adverse impact to which the investment portfolio may be subject.

Diversification

The fund's portfolio is not required to be diversified, it may be concentrated in a relatively small number of companies and there may be a high concentration of companies in the financial services industry. Accordingly, the investment portfolio of the fund may be subject to more rapid change in value than would be the case if the fund were required to maintain a wide diversification among companies, securities and types of securities.

Liquidity of Fund Assets

Fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value accurately any such investments. In addition, the fund's investment approach focuses on small and medium capitalization companies. At any given time, the fund may have significant investments in smaller-to-medium sized companies of a less seasoned nature whose securities are traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies.

Reliance on Key Personnel

The success of the hedge fund depends in substantial part upon the skill and expertise of JAM and the principals. The fund's limited partners must rely entirely on such persons to manage the affairs of the fund. The limited partnership agreement does not permit the limited partners to engage in the active management and affairs of the fund and the limited partners must rely on the ability of JAM and the principals to identify, structure and make appropriate investments for the fund and to manage and dispose of such investments.

Private Equity Funds**Investment Objective, Strategy and Methods of Analysis**

Generally, the private equity funds seek to achieve long-term capital appreciation, focusing primarily on financial services companies through investments in (i) equity and equity-related securities issued by private companies as well as select investments in public companies where a long-term investment horizon is appropriate and (ii) debt obligations, loan pools and subordinated notes. Investments in public companies may include illiquid or thinly-traded equities of smaller companies and/or special situations involving investor activism. The private and public companies in which the JAM Clients invest are referred to herein as "Portfolio Companies".

Our investment strategy seeks to emphasize the following general principles:

- Invest in companies with viable business models and positive market momentum, thereby seeking to reduce investment risk to one of execution as opposed to market acceptance or timing.
- Identify and support proven management teams with a demonstrated ability to succeed.
- Favor investments in companies with managements that have significant ownership positions.

Jacobs Asset Management, LLC

- Emphasize attractive entry valuations and attain mutuality of interests through investment structure. Prudent and creative capital structuring can provide attractive, risk-adjusted returns for otherwise modest portfolio investments.
- Adhere to JAM's value-driven investment philosophy and contrarian instincts.
- Focus on investment opportunities in niche, growth markets where Portfolio Companies can develop into significant participants and thus increase the likelihood of executing attractive exit strategies.
- Maintain an activist approach by investing in opportunities through which JAM's principals can leverage their experience and relationships, work closely with management and build shareholder value.

Proactively Identify Opportunities

JAM has developed extensive contacts, a well-developed knowledge base and a proprietary database of potential investments within each of the target sectors. We intend to continue expanding our relationships within these specific areas in an effort to source high quality transactions and we intend to leverage existing professional and strategic relationships to generate deal flow.

Perform Rigorous Due Diligence

JAM conducts rigorous due diligence prior to making each investment. We believe one of our significant strengths is our ability to integrate detailed quantitative analysis with a qualitative assessment of financial companies. Our principals have significant transactional expertise in financial services including "sell-side" as well as "buy-side" experience. The due diligence process includes three key components. First, we work closely with the management of a potential Portfolio Company to gain a complete understanding of the business. Second, as many investments are often in smaller companies, we place significant emphasis on researching management's past performance including extensive background investigations. Finally, we may engage outside professionals with whom we have established relationships to assist in the due diligence process. These professionals may include business operators with practical industry knowledge, legal counsel, and accounting firms. Our disciplined approach to due diligence is designed to help best determine the risks inherent in the transaction and to establish a framework to mitigate those risks which the funds choose to accept. We also believe a thorough due diligence process creates the framework for a long-lasting and successful working relationship with management.

Develop and Shape Business Strategy

JAM works closely with management teams prior to making investments to determine and agree upon specific business strategies and tactics.

Monitor Company and Asset Performance

JAM sets specific strategic, operational and financial goals while establishing appropriate controls and corporate governance over our investments. We utilize stated benchmarks to assess Portfolio Company performance and to determine appropriate incentive compensation for its management teams. Furthermore, the funds typically require representation on Portfolio Company boards with board meetings held regularly in conjunction with monthly reporting of financial and operating results.

Jacobs Asset Management, LLC

Build Value in Investments

JAM leverages its operating and transactional experience to deliver significant strategic assistance to the funds' Portfolio Companies by performing the following functions: (i) proactively monitor and assist in formulating corrective policies when needed; (ii) provide guidance on financings, mergers and acquisitions; (iii) establish strategic relationships and introductions to substantial customers; (iv) participate in planning and budgeting; (vii) provide corporate guidance and governance as active board participants; and (viii) assist in human resource development.

Develop Exit Strategies

The exit strategy for each investment varies according to its particular circumstances, but we expect a majority will be through a sale to, or merger with, a larger participant in a related segment of the market. We anticipate that larger financial institutions will maintain an increasing appetite for acquiring and integrating companies with strong growth prospects and experienced senior management teams. In certain cases, because of our relationships with large financial services participants, we may identify specific exit strategies prior to the funds' initial investment.

Material Risks of Loss

An investment in the funds involves a high degree of risk. There can be no assurance that the investment objectives will be achieved or that an investor will receive a return of its capital. In addition, there may be occasions when JAM, its affiliates and/or its members may encounter potential conflicts of interest in connection with the funds. Investors should carefully evaluate the following considerations, in conjunction with complete details outlined in each fund's Offering Memorandum and Limited Partnership Agreement, before investing in any of the funds.

The following is a general summary of the **risks associated with an investment in the private equity funds:**

Long-Term Nature of Investment and No Assurance of Return

An investment requires a long-term commitment, with no certainty of return. Because of the nature of the funds' investments, there can be no assurance that the funds will be able to realize returns on such investments in a timely manner, or at all, and there may be little or no near-term cash flow available to investors. The return of capital and the realization of gains, if any, from an investment may not occur until a number of years after the respective investment is made, if at all.

Reliance on Key Personnel

The success of the funds depends in substantial part upon the skill and expertise of JAM and the principals. The funds will be relying entirely on such persons to manage the affairs of the fund. The limited partnership agreement does not permit the limited partners to engage in the active management and affairs of the fund and the limited partners must rely on the ability of JAM and the principals to identify, structure and make appropriate investments for the fund and to manage and dispose of such investments.

The following is a general summary of the **risks associated with the private equity funds' investments in Portfolio Companies:**

Availability of Investments

The private equity investment industries in which the funds are engaged are highly competitive, and many of the funds' competitors may have greater resources than our funds. Such competition

may result in fewer opportunities made available to the funds, and may impact the terms on which any such opportunities are made available. There can be no assurance that JAM will be able to locate and complete investments that satisfy the funds' investment objectives and criteria.

Illiquidity and Volatility of Investments

Many of the private equity funds' investments will be highly illiquid, and there can be no assurance that the funds will be able to realize returns on such investments in a timely manner, or at all. Although certain investments may generate current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the disposition of such investment. While an investment may be sold at any time, this will occur typically a number of years after the investment is made. The funds will generally not be able to sell their investments unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases the funds may be prohibited by contract from selling certain securities for a period of time.

Risk Inherent in Type of Investments

The funds focus on investments in the financial services and related-technology sectors, which may present particular risks because of the lack of diversification and the market sensitivity and volatility of the relevant markets. In addition, certain Portfolio Companies in which JAM invests may be involved in originating ideas for new products, in the technology for such products and/or in the application of such technologies in the financial services sector. Some of these companies are expected to be at early stages of development, with minimal operating history. Such companies may also have experienced losses, and may continue to do so. These companies generally will also be dependent on the skills of a small number of executives and will be vulnerable to rapid changes in technology, fluctuations in demand for their products, competition from larger and more established companies, working capital needs, and other factors. Some of the Portfolio Companies will likely require substantial additional funding from new investors, often involving more than one subsequent round of financing. While the funds may participate in such later rounds of financing, the percentage equity interest in a Portfolio Company may become diluted after each follow-on round. There can be no assurance that an appropriate market will exist for a Portfolio Company's products, technology or services. Even if a Portfolio Company develops reasonable market penetration, there can be no assurance that the company will be profitable or that substantial losses will not occur.

In addition, investments in companies in the financial services industry may be subject to additional risk factors including, but not limited to:

- Extensive regulation, supervision and examination;
- Regulatory and charter restrictions applicable to changes in control;
- Risks associated with assets held by financial institutions, including real estate, commercial and consumer loan assets, which may be affected by local and national economic conditions;
- Changes in regulation.

In addition, the results of operations of financial institutions are significantly affected by general economic conditions and the related monetary and fiscal policies of the federal government, particularly as they relate to the level of interest rates.

Risks Arising from Provision of Managerial Assistance

The private equity funds are likely with respect to certain investments to obtain rights to participate substantially in, and to influence substantially the conduct of, the management of Portfolio Companies that may comprise a majority of the funds' investments. The designation of directors and other measures contemplated could expose the assets of the Funds to claims by a Portfolio Company, its security holders and its creditors and/or indemnification obligations in connection therewith. While JAM intends to manage the funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be fully precluded.

Reliance on the Management of Portfolio Companies

Although it is JAM's intention to ensure that Portfolio Companies have strong management teams, there can be no assurance that any Portfolio Company's management team will be able to operate successfully.

Material Non-Public Information

Certain of the principals of JAM may acquire confidential or material non-public information or be otherwise restricted from initiating transactions in certain securities, in such cases a JAM Client may not be able to initiate a transaction that it otherwise might have initiated and may not be able to purchase or sell an investment that it otherwise might have bought or sold.

Controlling Interests

Because of its equity ownership, representation on the board of directors and/or contractual rights, a fund may often be considered to control, participate in the management of or influence the conduct of Portfolio Companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. If these liabilities were to arise, a fund may suffer a significant loss.

Leverage

Investments may include companies whose capital structures have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although JAM will seek to use leverage in a prudent manner, the leveraged capital structure of Portfolio Companies will increase their exposure to adverse economic factors such as rising interest rates, downturns in the economy and deterioration in the conditions of the Portfolio Companies or their industries.

Market Risks

Certain investments may be in securities that are or become publicly traded. Such investments may involve economic, political, interest rate and other risks, any of which could result in an adverse change in the market price. In addition, in some cases the funds may be prohibited by contract from selling certain securities for a period of time so that the funds are unable to take advantage of favorable market prices.

Short Sales and Options

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the portfolio. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security which could result in an inability to cover the short position or theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase. Purchasing put and call options, as well as writing such options, while often utilized to hedge investments, are highly specialized activities

Jacobs Asset Management, LLC

and entail greater than ordinary investment risks. Trading in futures contracts and options thereon are highly specialized activities which, while they may increase the total return on the funds' investments, may entail greater than ordinary investment risks.

Limited Number of Investments

Since the funds may only make a limited number of investments involving a high degree of risk, poor performance by a single investment could substantially and adversely affect the total returns to investor.

The following is a general summary of the **risks associated with the disposition of investments in Portfolio Companies**:

Difficulty Valuing Fund Assets

Because the investments may include investments in unproven technology, the funds may, from time to time, sell or otherwise dispose of assets that prove to be more valuable than anticipated at the time of such disposition.

Contingent Liabilities on Dispositions

In connection with the disposition of an investment, the private equity funds may be required to make representations about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of any business. The funds also may be required to indemnify the purchasers of such investment with respect to certain matters, including the accuracy of such representations. These arrangements may result in contingent liabilities, for which the funds may establish reserves or make other arrangements.

Item 9: Disciplinary Information

JAM has no legal or disciplinary events to report that are material to a JAM Client's or prospective client's evaluation of JAM's advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither JAM nor any of its principals is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of any of the foregoing entities. Neither JAM nor any of its principals has any relationship or arrangement that is material to its advisory business or to our clients with any related persons with whom such a relationship or arrangement would be reportable under this item. Finally, JAM does not recommend or select other investment advisers for our clients in return for direct or indirect compensation from such advisers, nor do we have other business relationships with any investment advisers so recommended or selected, in each case, that creates a material conflict of interest.

The JAM Entities

JAM Managers, LLC and JAM Equity Partners, LLC, the general partner entities of certain JAM Funds, are affiliates of the Management Company. Seymour Jacobs is the Managing Member of all entities and serves as the Portfolio Manager for all JAM Funds.

Item 11: Code of Ethics

Code of Ethics

JAM has adopted a Code of Ethics applicable to all officers and employees. The Code is designed to comply with the Investment Advisers Act of 1940 and establishes guidelines relating to personal securities trading, insider trading, conflicts of interest, gifts and business entertainment items, amongst other things. Adherence to the Code and the related restrictions on personal investing is considered a basic condition of employment.

JAM's personal trading policy permits employees to make investments in their personal accounts, subject to certain restrictions. All trades in reportable securities must be pre-approved by the Compliance Officer. While employees may seek permission to transact in the investments which may be purchased or sold for a JAM Fund, these investments are subject to a high level of scrutiny, along with specific rules as defined within the Code. The Code's procedures are intended to ensure JAM clients' investment activities are fully satisfied prior to an employee being given permission to invest, if at all. JAM's clients' investments are generally related to the financial services sector, and as such, all employee transactions in the financial services sector require a minimum six month holding period and pre-approval prior to exit.

Transactions are reported to the Compliance Officer in accordance with the reporting requirements outlined in the Code and personal trading is continually monitored in order to reasonably prevent conflicts of interest between JAM and its clients and investors.

Clients and investors may contact us at the phone number provided on the front of this brochure to obtain a copy of JAM's Code of Ethics.

Conflicts of Interest

Performance-Based Fees (Incentive Allocation)

Refer to Item 6.

JAM or its Employees Trading for Their Own Account

Investments by JAM or its employees, for their own accounts, in securities that are also in the portfolios of JAM Clients could give the perception of interfering with our fiduciary duty of making decisions which are in the best interest of our clients and could otherwise have a disadvantageous effect on the values, prices or trading strategies of the JAM Clients. Our personal trading policy, described above, has been developed to address this particular conflict by establishing strict guidelines surrounding these transactions.

Other Business Activities

The principals and affiliates of JAM may make additional investments separate from, or alongside, the JAM Clients, both in their capacity as members of the general partners and personally. In this regard, the general partners and the Management Company serve as general partner and Management Company, respectively, to several funds. In addition, certain principals may be directors of various Portfolio Companies held by JAM Clients. JAM may cause the JAM Clients to invest in (i) certain of the existing investments of its affiliates and/or members and/or (ii) certain companies that have a material relationship with the principals to the extent such opportunities meet the client's investment criteria and we believe such investment opportunities are advantageous. This may pose a conflict of interest where an investment by a client would benefit or otherwise affect our other clients. We intend to deal with all potential conflict of interest situations to the best of our ability in a manner that is consistent with the best interests of the JAM

Jacobs Asset Management, LLC

Clients, and we do not intend to cause any Portfolio Company to enter into a transaction with a member or affiliate of JAM on anything other than an arm's length basis. Moreover, the Funds only invest in a Portfolio Company that has a material relationship with JAM or a principal if the terms of such investment are equal or better than those that would be obtained on an arm's length basis. Nevertheless, as a practical matter, JAM Clients must rely on JAM's business judgment.

Diverse Limited Partner Group

Underlying investors in a JAM Fund may have conflicting investments and other interests with respect to their investments in a fund. The conflicting interests may relate to, among other things, the nature of investments made by a fund, the structuring or the acquisition of investments and the timing of disposition of investments. In selecting and structuring investments appropriate for a JAM Client, and otherwise while acting in our capacity Investment Manager, we consider the investment objectives of the fund as a whole, and not the investment objectives of any underlying individual investor.

Investors / Side Letters

JAM has entered into a limited number of side letters with certain investors within JAM Funds that have established different rights or privileges with respect to, but not limited to, most favored nation status, co-investment rights, manager withdrawal notifications, key man, capacity, and certain tax matters.

Valuation

For certain JAM Clients, net asset value may be a variable in the calculation of management fees payable. JAM may also be entitled to receive certain performance based compensation from its clients (see Item 6). The calculation of performance based compensation received from the hedge fund includes an element of unrealized gains and losses. As such, JAM may have an incentive to value to certain assets or liabilities favorably.

JAM has adopted a valuation and pricing policy to govern the valuation of securities held by JAM Clients and to address potential conflicts of interest associated with security valuations. The policy and related procedures are intended to comply with FASB Accounting Standards Codification Topic 820 (also known as Statement of Financial Accounting Standards No. 157) which defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, JAM uses various valuation approaches. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. The fair value hierarchy is categorized into three levels based upon the inputs as follows:

Level 1 – Valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities that JAM has the ability to access

Level 2 – Valuations based on inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly.

Level 3 – Valuations based upon inputs that are unobservable and significant to the overall fair value measurement.

Jacobs Asset Management, LLC

As part of its policy, JAM has engaged various independent valuation groups on behalf of JAM Clients to perform independent valuation procedures for certain Level 3 assets in client portfolios. The administrators and auditors of JAM Clients also provide an additional level of review of the consistent application of JAM's valuation policy.

Item 12: Brokerage Practices

JAM has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions in all JAM Clients. Broker-dealers to be used for any separately managed accounts are agreed upon with each respective client as outlined in the investment management agreement.

It is not JAM's general practice to negotiate "execution only" commission rates, thus the JAM Clients may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

In selecting brokers and negotiating commission rates, we take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. When appropriate, we may, but are not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

JAM does not participate in any directed brokerage arrangements and does not select brokers based upon client referrals.

Soft Dollars

JAM reserves the right to use soft dollars to pay for research and brokerage services so long as such usage meets the safe harbor criteria of Section 28(e) of the Securities Exchange Act of 1934, as amended, which provides, in summary, that it is not a breach of fiduciary duty for an adviser to cause an account to pay a commission in excess of the lowest rate available if the adviser determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided. JAM receives valuable proprietary research services from various broker-dealers. Consistent with our responsibility to seek best execution, as part of our broker selection process we consider the value of proprietary research and related services we receive in relation to the commission paid. In addition, JAM has one soft dollar arrangement with a prime broker pursuant to which we receive research products and services created or developed by a third party.

The types of proprietary research and other products and services we receive from broker-dealers as part of the services offered to their trading customers and from third-party providers under our soft dollar arrangement mentioned above include, but are not limited to, specialized publications geared towards the financial sector, macroeconomic analysis from boutique research firms, the use of a financial services database for research and analytical purposes, Bloomberg, exchange fees, pricing services, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; and discussions with research personnel. All such services satisfy the criteria of Section 28(e).

This use of soft dollars may create conflicts of interest. The use of externally-developed research

Jacobs Asset Management, LLC

supplements may at times partially supplant the research we perform internally. Because the JAM Funds are responsible for both research expenses and brokerage commissions, the cost of external research is borne by the funds rather than the Adviser regardless of the means of payment. However, our use of external research, obtained through soft dollars could be deemed to create a conflict of interest to the extent it creates an incentive for the Adviser to rely on external research in place of hiring an additional Adviser-compensated employee. The availability of external research could also influence our selection of brokers and lead us to pay higher commission rates to research-providing brokers than the rates available from execution-only brokers, all in the manner we describe under best execution above.

JAM understands the potential conflict that may be created when certain clients generate a large portion of the soft dollars that may be used to purchase research and brokerage services. A large portion of JAM's soft dollar credits are generated from transactions placed in JAM Partners, LP, the hedge fund, which is primarily due to the larger asset base and level of transaction activity that takes place within that fund, relative to the other JAM Clients, which are structured as private equity funds and managed accounts.

Item 13: Review of Accounts

Review

JAM utilizes reports provided by the prime brokers and administrator, along with internally developed internal risk metrics, to monitor client accounts on an ongoing basis. The investment team, consisting of the Portfolio Manager, Director of Private Equity, Chief Operating Officer and the analysts continuously review the JAM Clients to ensure the investments are consistent with the investment objectives, philosophy, strategy and methodologies that we have described to investors in our offering documents and to ensure that they are comfortable with the general levels of investment, position concentration and other measures of risk and potential reward in the portfolio.

Reporting

Investor capital statements summarizing the investor's individual performance are prepared by the administrator and provided to individual investors (monthly for the hedge fund and quarterly for the private equity funds).

On an annual basis, investors receive a copy of the fund's audited financial statements, along with tax reporting information.

On a periodic basis, JAM provides investors with an investor update that may include a summary of recent performance, economic commentary and investment updates. JAM generally does not provide special reporting to investors, but may, on a case by case basis, provide additional information if requested by investors provided that such requests are deemed reasonable in content and scope and that we are prepared to supply the same level of information to other investors who may ask for similar information.

JAM's separately managed account client has real-time access to the portfolio at any given time and maintains an administrator and custodian independent of JAM and the JAM Funds, as such JAM does not provide reporting. JAM does independently provide trade and position details to the client and its administrator and has periodic discussions with the client reviewing the status of the separately managed account.

Item 14: Client Referrals and Other Compensation

JAM has not contracted with any third party marketing firms to solicit clients on behalf of JAM. However, JAM does have agreements with third-party marketers for soliciting investors for certain JAM Funds. JAM compensates these firms with a percentage share of the management fees or incentive allocation as outlined in the agreement with each respective firm. No additional fees are charged to investors as a result of our participation in these arrangements.

Item 15: Custody

JAM does not maintain physical possession of client cash and/or securities. Physical location aside, however, JAM is deemed to have custody of client funds and securities within the meaning of Rule 206(4)-2 of the Advisers Act as a result of the authority of JAM, together with the general partner, to cause payments of management fees and other fund expenses to be made from the funds, and the overall access of such persons to the funds and securities of the funds.

Consistent with the requirements under the Advisers Act, the assets of the JAM Funds are held in accounts maintained with our prime brokers, “qualified custodians” within the meaning of the Advisers Act. Our prime brokers are registered broker-dealers that hold fund assets in separate accounts (or in a separate customer account with records identifying the assets of each such fund in accordance with applicable broker-dealer and custodial bank regulation).

The annual financial statements of JAM Funds are prepared in accordance with GAAP, audited by independent accounting firms registered with the Public Company Accounting Oversight Board and distributed to all investors within 120 days of the funds’ fiscal year end.

Item 16: Investment Discretion

JAM has full discretionary authority with respect to the JAM Funds including, without limitation, any purchase, sale, transfer or liquidation of any and all shares related to the accounts. This discretionary authority is pursuant to an investment management or limited partnership agreement and is consistent with the investment objectives and strategy described within the documents. JAM also has full discretion over separately managed accounts, subject to certain restrictions and/or limitations as outlined in the respective investment management agreement. JAM does not provide advisory services directly to investors in the JAM Funds.

Item 17: Voting Client Securities

JAM has full authority to vote proxies regarding all securities for which we have investment discretion. JAM has adopted policies and procedures reasonably designed to ensure that proxies are voted in the best interests of JAM Clients. In exercising its voting discretion, we seek to avoid any direct or indirect conflict of interest. The objective of voting a security in each case under our policy is to seek to enhance the value of the security, or to reduce potential for a decline in the security's value. Our policy does not prescribe specific voting requirements or specific voting considerations. Instead, it provides procedures for applying the informed expertise and judgment of our investment professionals on a timely basis.

JAM believes that an important consideration in the framing of a proxy voting policy is the need to avoid unduly diverting resources from our primary responsibilities to add value to our clients' investments through portfolio management and client service. Our proxy voting policy has been prepared on this basis. We do not consider it feasible or desirable to prescribe in advance comprehensive guidelines as to how we will exercise proxy voting authority in all circumstances. The primary aim of our approach to corporate governance issues is to encourage a culture of performance among the companies in which we manage investments in order to add value to our portfolios, rather than one of mere conformance with a prescriptive set of rules and constraints. In our proxy voting policy, we describe some factors we are likely to consider when approaching votes on matters where some general observations may be drawn, but the facts and circumstances of the issuer at the time of each vote ultimately guides our voting decision.

JAM will use reasonable efforts to determine whether a potential conflict may exist with respect to voting proxies. We are sensitive to conflicts of interest that may arise in the proxy decision-making process, and we have identified potential conflicts as part of our policies and procedures. Materiality determinations will be based on an assessment of the particular facts and circumstances and in consultation with outside legal counsel. If we determine that a material conflict of interest exists between the interests of JAM and the interest of the JAM Clients with respect to a particular vote, we will retain a proxy voting service, or turn to another independent third party, to determine the manner in which such vote should be cast.

A copy of our Proxy Voting Policy and Procedures, as well as information related to how proxies were voted, will be provided upon request.

Item 18: Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about our financial condition. JAM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.