

Form ADV Part 2A: Firm Brochure

Whitetail Rock Capital Management, LLC

121 South 13th Street
Suite 100
Lincoln, NE 68508

Telephone: 402.458.2243
Email: matt.brinkman@whitetailrock.com

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This brochure provides information about the qualifications and business practices of Whitetail Rock Capital Management, LLC ("WRCM", "we", or "us"). If you have any questions about the contents of this brochure, please contact us at 402.458.2243 or matt.brinkman@whitetailrock.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Whitetail Rock Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by our name, or by a unique identifying number, known as a CRD number. Our firm's CRD number is 156675.

While we are a registered investment advisor, that designation does not imply a certain level of skill or training.

Item 2 Material Changes

Following are the material changes to this brochure since the last update in March, 2016:

- Item 12: Expanded our description of our trade aggregation and allocation policies. Added a new section describing our Selection and Evaluation of Broker-Dealers.

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Item 4 Advisory Business

Whitetail Rock Capital Management, LLC ("WRCM"), founded in 2011, is a SEC-registered investment adviser with its principal place of business located in Nebraska. Our principal owner is Nelnet, Inc., a publicly-traded company.

Our Chief Compliance Officer is Matt Brinkman, who can be reached at matt.brinkman@whitetailrock.com or 402.458.2243.

WRCM provides asset management for clients based on the individual needs of each client. Our clients are primarily large institutional investors and corporations, high net worth individuals, and private funds. Under these arrangements, client accounts will be regularly monitored for performance and adherence to the client's stated objectives for the funds they have asked us to manage. Through personal discussions with clients we establish risk, return, liquidity, and tax-related objectives and constraints based on each client's particular circumstances. From those discussions we develop a custom investment policy and manage a portfolio based on that policy. A written investment management agreement, which often contains reference to client investment objectives or restrictions, is signed with every client.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), restrictions on approved investments (if any), as well as tax considerations.

As of December 31, 2015, WRCM had total assets under management of \$1.065 billion based on market value, all discretionary in nature. We manage no client assets on a non-discretionary basis.

Clients may impose in writing reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Once the client's portfolio has been established, we review the portfolio periodically, and if necessary, rebalance, based on the client's individual needs.

Most clients have hired us to follow a strict mandate to manage portfolios of student-loan backed floating rate asset-backed securities, a unique asset class in which we have considerable experience performing quantitative and structural investment analysis. We take a long-term, value-oriented approach to such portfolios.

We manage five private funds which invest in student-loan backed floating rate asset-backed securities. The funds sell their interests and shares in private transactions solely to accredited investors, qualified clients, or qualified purchasers.

While we do highlight our expertise in floating rate asset-backed securities, and those portfolios represent the vast majority of our assets under management, the portfolios we manage may also from time to time include:

- Corporate debt securities (other than commercial paper)
- Municipal securities
- Other asset-backed securities
- Publicly-traded equity securities
- Exchange-traded and mutual funds
- United States governmental securities

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. We neither receive nor pay fees (or any other form of compensation) in exchange for referrals.

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Item 5 Fees and Compensation

PORTFOLIO MANAGEMENT SERVICES FEES

WRCM's advisory fees are established in investment advisory agreements signed by clients at the start of each relationship.

Our annual fees for portfolio management services are based upon a percentage of assets under management and generally range from 0.05% to 0.50%. All student loan bond management fees (whether in private fund form or managed account form) are 25bps of the cost basis plus discount accretion, if any. For all other accounts, such billing is based upon the market value of assets under management.

Additionally, we may charge a performance-based fee (see Item 6 for more details on performance-based fees).

Management and performance fees are generally not negotiable. Clients are usually billed on a monthly basis on an "in arrears" basis. We do not directly deduct fees from clients' assets.

We do not:

- compensate our staff on a commission basis
- execute trades through affiliated broker-dealers
- require clients to pre-pay fees
- pay solicitors to bring in business on our behalf
- pay referrals fees
- receive referral fees.

We require a minimum account size of \$1,000,000, though this account minimum may be waived under certain circumstances at our sole discretion.

Client agreement may be canceled at any time, by either party, provided written notice (usually with 30 days' notice) is given.

Mutual Fund & ETF Fees. All fees paid to WRCM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their owners. These fees and expenses are described in each fund's prospectus.

These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in such funds directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which fund or funds are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate

the advisory services being provided. As a fiduciary for our clients, we put their interests first by attempting to minimize fees paid in such funds and seeking out best execution among the available offerings. In addition, when trading exchange-traded and mutual fund securities, there is often a nominal brokerage trading fee which will be borne by the client. Please refer to the "Brokerage Practices" section (Item 12) of this brochure for additional information.

Additional Fees and Expenses. In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers. When trading over-the-counter securities, there is commonly a mark-up by the broker-dealer, which we generally have little ability to influence. We do our best to limit the mark-up broker-dealers make on a given trade and monitor all available sources of trading data to evaluate each brokers' efficiency. We believe the typical mark-up in normal market conditions is less than 75 basis points (0.75%) on a security's price, and often much lower than that, though we rarely know with certainty at the time of the trade what that mark-up might be. The mark-up is effectively an additional transaction fee paid by the buyer or seller beyond our management fees. WRCM will never trade through an affiliated broker-dealer, so neither WRCM nor any related party to WRCM will ever profit from such broker-dealer mark-ups.

ERISA Accounts. WRCM does not presently advise any ERISA accounts.

Advisory Fees in General. Clients should note that similar advisory services may (or may not) be available from other registered or unregistered investment advisers for similar or lower fees.

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

PERFORMANCE-BASED FEES

As we noted in Item 5 of this brochure, in some cases our firm accepts a performance-based fee from the client in addition to the management fee described in Item 5. Such a performance-based fee is calculated based on a share of capital gains after such gain has been realized by the client. To qualify for a performance-based fee arrangement, a client must either demonstrate a net worth of at least \$2,000,000 or must have at least \$1,000,000 under management immediately after entering into a management agreement with us.

Clients should be aware that a performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. We have procedures designed to ensure that all clients are treated fairly and to prevent conflicts of interest that might arise from varying fee structures. Such procedures include the maintenance of defined investment objectives, policies relating to the allocation of trades, and periodic examinations of historical trading to determine whether we have adhered to client investment objectives and principles of fair dealing.

The client must understand the performance-based fee method of compensation and its risks prior to entering into a management contract with us.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF RULE 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.

Item 7 Types of Clients

WRCM provides advisory services to the following types of clients:

- High net worth individuals
- Corporations
- Bank or thrift institutions
- Pooled investment vehicles

We require a minimum account size of \$1,000,000, though this account minimum may be waived under certain circumstances at our sole discretion.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets. In all cases there is substantial risk of loss which the client solely bears. An investment with us should be made only after consulting with independent, qualified sources of investment, legal, tax, accounting and other advice.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic (including the overall economy and certain industry conditions) and financial (such as discounted cash flow analysis) factors to determine whether a security is underpriced or overpriced relative to other market opportunities or discount rates. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the individual securities.

Quantitative Analysis. We use mathematical and financial models in an attempt to obtain more accurate measurements of a security's quantifiable value. A risk in using quantitative analysis is that models employed by us may be based on assumptions that prove to be incorrect, may misinterpret security characteristics, or may fail to anticipate how the price of a security may react to external factors not contemplated in the model. Our models may also be subject to errors relating to back-testing or data mining which we may not be aware of at the time they are implemented.

Qualitative Analysis. As we perform our analysis, we subjectively evaluate non-quantifiable factors relating to the issuers of securities, including quality of management, operational efficiency, and access to credit markets, among many other factors. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are reliable inputs to our analysis. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Asset-Backed Securities. Our primary specialty is in asset-backed securities (ABS), which generally trade over the counter (OTC) and therefore are less liquid than exchange-traded securities. When we purchase such securities for clients, one of the risks to those securities is their substantially lower liquidity profile. We also note that because of the OTC nature of these securities, the transaction costs (in the form of broker mark-ups) is usually unclear. See Item 12 for further discussion of that topic.

INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the plan to hold them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions or potential catalyst which we believe will soon result in a favorable price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. On rare occasions, we purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings. The risks to this strategy are very similar to that of the short-term purchases.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

We are an SEC-registered investment adviser. As noted in Item 4, we are primarily owned by Nelnet, Inc., a publicly-traded company, and that ownership is responsible for the following affiliations.

Our affiliations:

- Union Bank & Trust Company. Union Bank and Trust Company (“UBT”) is a family-owned Nebraska state bank that offers a broad spectrum of banking products and financial services to consumers, small businesses and commercial clients. UBT and Nelnet, Inc., WRCM’s parent company, are both effectively controlled by the family of Nelnet’s board chairman.
- Union Investment Advisors. As an affiliate of UBT, our firm is under common control with Union Investment Advisors, Inc., a registered investment adviser.
- Union Agency. As an affiliate of UBT, our firm is under common control with Union Agency, a Nebraska-based insurance company specializing in business and auto insurance coverage.
- Nelnet Capital LLC. Nelnet Capital is a wholly-owned broker-dealer subsidiary of Nelnet, Inc., WRCM’s parent company. One management person and one other employee of WRCM are registered representatives of Nelnet Capital.
- First National Life of the USA. First National Life is a Nebraska-based credit life insurer, wholly owned by Nelnet, Inc., WRCM’s parent company.

Following describes how we manage conflicts of interest arising from these affiliate relationships:

- WRCM may recommend to its (non-fund) asset-backed security clients the custody services of UBT, with whom we have the aforementioned affiliate relationship. However, clients are welcome to custody wherever they like.
- This affiliate relationship between WRCM and UBT creates a conflict of interest when discussing potential custodians with clients. WRCM does not receive any additional compensation for recommending the custody services of UBT, nor does it receive additional compensation when their custody services are selected. Clients are permitted to use any qualified custodian they choose.
- Our private funds are custodied and/or administered by UBT and its wholly-owned subsidiaries. While we believe UBT’s custody and administration fees are competitive given the very complicated nature of the securities we buy, we may be able to find lower fees elsewhere. We retain sole discretion with respect to custodian of the private funds. When client assets are all custodied at a single custodian, we are able to more easily aggregate buy and sell orders, which historically has led to materially better execution in the over-the-counter market.
- Because two of our employees are also employees of Nelnet Capital, LLC, a broker-dealer, WRCM strictly forbids conducting any trading or other business through Nelnet Capital, LLC, as a matter of policy.
- WRCM does not recommend services provided by Union Investment Advisors.

- WRCM does not recommend or provide advice on insurance products of any kind and does not conduct business through First National Life, Union Agency, or any other insurer, nor do we provide recommendations on such services in general. We do not anticipate any nexus between WRCM and these entities in the future.
- WRCM receives no referral fees for recommending the services of, or referring clients to, any of the affiliates listed above, nor do we pay referral fees to anyone.

We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser. In addition to the policies noted above, we take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and employees to earn more compensation from advisory clients who pay performance-based fees;
2. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
3. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to that client's needs and circumstances;
4. We have implemented policies and procedures for fair and consistent allocation of investment opportunities among all client accounts;
5. We periodically compare holdings and performance of all accounts with similar strategies to detect material performance disparities indicative of possible favorable treatment;
6. We periodically review trading frequency and portfolio turnover rates to identify possible patterns of "window dressing," "portfolio churning," or any intent to manipulate trading to boost performance near the reporting period;
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable, adequate, and independent basis for the investment advice provided to clients, and the equitable treatment of all clients, regardless of the fee arrangement;
8. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest in such activities are properly addressed. We further periodically monitor any outside employment to verify that any conflicts of interest continue to be properly addressed.

9. As discussed in Item 12, we take care to avoid conflicts of interest in our brokerage practices by forbidding practices that might get in the way of putting client interests first.

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

SEC rule 204A-1 requires SEC-registered investment advisors to establish, maintain, and enforce a written code of ethics. Our firm has adopted a Code of Ethics ("the Code") which fulfills that requirement and sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. All supervised persons at WRCM must acknowledge in writing the terms of the Code annually and whenever it is amended. New employees must read and acknowledge the Code at the time they are hired.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. To request a copy, please email our Chief Compliance Officer, Matt Brinkman, at matt.brinkman@whitetailrock.com, or call him at 402.458.2243.

WRCM and our personnel are fiduciaries for our clients and owe them a duty of loyalty, fairness and good faith, and further have an obligation to adhere not only to the specific provisions of our Code of Ethics but to the general principles that guide the Code, as well as all applicable securities laws. The Code of Ethics includes provisions on business conduct, personal trading, non-public information, participation in IPOs, gifts and entertainment, confidentiality of client information, privacy, and external employment, among other things.

Personal Trading. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making independent, objective decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. The Code includes policies requiring a quarterly review of personal securities transaction reports as well as initial and quarterly securities holdings reports that must be submitted by the firm's access persons. The Code requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code also includes oversight, enforcement and recordkeeping provisions.

WRCM's Code further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information beyond our affiliation with our parent company, Nelnet, Inc., all employees are reminded that such information may not be used in a personal or professional capacity.

Privacy. Our Code of Ethics emphasizes our duty to protect the personal information of our clients. We share our Privacy Policy with individuals when they become clients and on an annual basis. We are committed to the privacy and protection of our clients' confidential information, and generally do not share their information except as needed in the context of execution transactions on clients' behalf.

Principal Trading. Our firm or its affiliates may from time to time purchase or sell securities similar to those owned by or recommended to our clients. We or our affiliates may, in unusual circumstances, sell securities we own to our clients, or buy securities from them. In such cases, we will obtain written acknowledgement from each client that such a related party transaction is occurring and, if an exchange “market price” is unavailable, conduct the trade at a price set by an agreed-upon independent pricing service or broker. At no time will we or any party related to us receive a transaction-based commission for conducting such a trade. The purpose of obtaining a written acknowledgement in these situations is to make clients aware of the natural conflict of interest when trading with us or an affiliate of ours. Clients should be aware that when trading in complex securities with us, we may have a significant informational advantage with respect to the value of the asset being traded. As a result, we insist on setting the price at an independent, third-party price. Historically, principal trading by us has been rare and we expect it to continue to be rare.

Meanwhile, while our affiliates may trade in the same or similar securities to those owned by or recommended to our clients, we require that such opportunities are first given to our clients, permitting clients to either trade ahead of, or alongside, our affiliates.

Trade Aggregation and Allocation. We may aggregate our employee or related party trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. When the minimum denomination of a security prevents us from dis-aggregating a purchase (or sale) in a fashion that is materially not pro-rata, we will run a blind lottery process in order to allocate the securities fairly.

Industry affiliations, compensation arrangements, and principal trading, among other things, may represent actual or potential conflicts of interest to our clients. As a result, we have established the following policies and procedures for implementing our firm’s Code, to ensure that our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest, nor the interest of the firm, above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. Neither the firm, the firm’s clients, nor its employees may trade on a security found on the firm’s restricted trading list. That list is intended to contain any

security about which we think we may be in possession of material non-public information.

4. No person employed by us may purchase or sell any security when it is known that the firm intends to purchase or sell the same or equivalent security on behalf of clients. This prevents such employees from benefiting from ("front running") transactions placed on behalf of advisory accounts.
5. Our firm requires prior approval for any IPO or private placement investments by employees of the firm.
6. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
7. We have established procedures for the maintenance of all required books and records.
8. We have restrictions on the receipt of gifts from business counterparties and clients and restrictions on outside business activities.
9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery to and acknowledgement in writing of the Code of Ethics by each supervised person of our firm on an annual basis as well as when new employees join the firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this brochure (Item 10), certain employees of our firm are separately registered as securities representatives of a broker-dealer and we are affiliated with a bank that we frequently recommend, but do not require, as a custodian for client assets. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

As a fiduciary for our clients, WRCM has a duty to attempt to achieve the best possible execution of trades for our clients. We strive to execute trades in a manner such that the clients' total costs are as favorable as possible given the circumstances of the trade in question. Our commitment is to seek out the best price in the marketplace for each security and avoid unnecessary brokerage costs and charges. A complete description of our trade management practices is available to clients upon request.

Clients are responsible for all brokerage transaction costs and fees.

Our primary expertise is in the field of asset-backed securities, which generally trade over-the-counter (OTC) in negotiated transactions. We seek best execution, but often will not have vision into the broker/dealer mark-up that a client will ultimately bear in its entirety. To the extent available, we monitor and analyze realized broker mark-ups and avoid doing business with brokers who we feel mark up securities unreasonably. We believe that in normal market conditions these mark-ups are typically less than 0.75% of the face amount of a security, and often much less.

WRCM does not:

- receive compensation of any kind through any soft-dollar arrangements
- receive compensation of any kind through broker/dealer referrals
- receive client referrals in exchange for bringing business to particular brokers
- permit client-directed brokerage
- have any economic incentive (other than maximizing client returns) to direct brokerage business to any particular broker/dealer.

Soft-dollar arrangements are those where an investment manager directs business to one broker/dealer in exchange for other products and services which may not directly benefit the client. To reiterate, WRCM does NOT receive compensation of any kind through any such soft-dollar arrangement.

These policies free us to pursue the best possible execution of client trades.

Trade Aggregation and Allocation

If, and only if, there is sufficient demand from clients, it is permitted by applicable law, and doing so results in more favorable execution, WRCM may aggregate the purchase or sale of asset-backed securities across client accounts. Participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. When trading in over-the-counter (OTC) securities, which can be relatively illiquid, we have found that aggregating orders can save clients substantial money by narrowing the dealer mark-up between buyer and seller. As a result, WRCM prefers to aggregate purchase and sale orders when it is possible. If clients choose not to permit us to aggregate trades, the costs to them may be material.

There may be situations where we would prefer to aggregate purchases or sales but are unable to do so. For example, if a broker cannot obtain a block size sufficient to fill all client accounts, that trade may have to be made on successive days or over time.

In our trading of exchange-traded securities, purchases and sales will be aggregated to the extent clients are buying or selling the same security on the same day. Clients will pay or receive the average price of the trade in that security for that day.

We exercise utmost care in trading client securities. To the extent that we make an error during trading, those errors will be corrected as soon as reasonable possible and in a manner such that the client does not bear any loss due to the error.

Selection and Evaluation of Broker-Dealers

The extent to which dealers mark up our bonds, and the efficiency of their back-office and settlement operations, are the primary factors we consider when evaluating the quality of broker-dealers in OTC securities. Within the sphere of asset-backed securities, there is very limited supply, so we will trade with most broker-dealers provided we can find them on Broker Check, they are generally known in the industry, and we are not aware of any disciplinary actions or other findings that concern us. For those with whom we have already traded, we consider whether we have been treated fairly by the dealer historically.

We maintain relationships with those OTC dealers who we believe have the best market coverage, inventory, and execution over time. There is a limited supply of the asset-backed securities we buy and therefore we often must trade wherever we can find such securities. However, when we sell these securities it is generally done through a competitive bidding process.

In trading of exchange-traded products for our high-net-worth clients, we seek to trade through the lowest-cost broker-dealers which can interface efficiently with our custodian.

Item 13 Review of Accounts

While the underlying securities within client accounts are continually monitored, these accounts are formally reviewed on at least an annual basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Greer McCurley, President and Matt Brinkman, Vice President and Chief Compliance Officer.

In all cases clients receive monthly statements from their custodian or administrator. In addition to those statements, WRCM may provide monthly statements and/or trade confirmations. We urge our clients to carefully compare the information provided on any reporting from us with that coming from their custodian or administrator to ensure that all account transactions, holdings and values are correct and current.

In some cases in its role as a sub-advisor, WRCM will assist the primary investment advisor and custodian with the preparation of their client account statements.

Item 14 Client Referrals and Other Compensation

It is WRCM's policy not to engage solicitors or to compensate (or provide any other sort of economic benefit) any related or non-related persons for referring potential clients to our firm.

It is WRCM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients. We do not accept referral fees or any other form of remuneration from other professionals when a prospect or client is referred to them.

Item 15 Custody

All of our client assets are maintained with the qualified custodian of their choice. WRCM does not intend to have custody of client assets. Clients should carefully review the statements they receive from those qualified custodians. To the extent that WRCM provides supplementary reporting, clients should carefully compare our reports to those received from the custodian.

In some cases we serve as a sub-advisor to Union Bank & Trust (UBT), which is a related person to us, on portfolios they manage and custody for their clients. In other cases, UBT custodies assets for clients or private funds with whom we have a direct advisory relationship. While UBT is an affiliate of ours, UBT is operationally independent from our organization. On an annual basis we obtain and review a copy of an internal control report (SSAE 16, formerly known as the SAS 70) prepared by an independent auditor of UBT.

In some cases, an unaffiliated third-party qualified custodian may custody client assets. We continually monitor client assets to ensure they are held with qualified custodians. It is the intent of WRCM never to be in custody of client assets.

All of our private funds are subject to an annual audit in accordance with generally accepted accounting principles conducted by an independent public accountant registered with the Public Company Accounting Oversight Board (PCAOB). Those audited financials are distributed to investors in the funds within 120 days of the end of each funds' fiscal year.

In addition to the periodic statements that clients receive directly from their custodians or administrators, in some cases we may provide supplementary reporting or trade confirmations directly to our clients. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we engage in trades for a client's account without contacting the client prior to each trade to obtain the client's permission, as agreed upon in each executed investment advisory agreement.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign an investment management agreement with our firm, and may limit this authority by giving us written instructions. Often, those written instructions are included within the investment management agreement itself and may include a power of attorney provision. Investment advisory agreements may additionally limit our discretion to specific asset classes.

Clients may also change/amend such limitations by once again providing us with written instructions.

In all cases, we select securities and investment allocations based on investment policies, limitations, and restrictions we have in place for each client we advise.

Item 17 Voting Client Securities

While we vote proxies for all client accounts where applicable, clients always have the right to vote proxies themselves. Clients can exercise this right by instructing us in writing to not vote proxies in their account.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received (unless relying on electronic copies maintained by the SEC), a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify clients of the conflict and determine with them the best course of action, which may include retaining a third-party proxy service to make a recommendation.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting our Chief Compliance Officer, Matt Brinkman, by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

We do not presently advise any ERISA accounts.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. In fact, we do not require prepayment of fees at all. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. However, we believe that WRCM has no such financial circumstances to report.

WRCM has not been the subject of a bankruptcy petition at any time during the past ten years.