

Item 1. Cover Page

**Brochure of
Bodri Capital Management, LLC**

**One Ferry Building, Suite 255
San Francisco, CA 94111
Telephone: (415) 677-5370
Facsimile: (415) 677-5379
E-mail: bryan@bodricapital.com**

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This brochure provides information about the qualifications and business practices of Bodri Capital Management, LLC (“Bodri”). If you have any questions about the contents of this brochure, please contact us at (415) 677-5370 or bryan@bodricapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

Item 2. Material Changes

Not applicable.

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Item 4. Advisory Business

Bodri is a California limited liability company that has been in business since 2001. It is operated to manage investment funds and separately managed accounts for individual clients. Bodri's manager, controlling owner and portfolio manager is Jerome H. Debs, II. As of May 1, 2011, Bodri had total discretionary assets under management of approximately \$230 million. Bodri only manages assets on a discretionary basis.

Bodri invests principally, but not solely, in equity and equity-related securities that are traded publicly in U.S. markets on behalf of its clients, but is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the client's partnership or other account agreement. For example, Bodri also may invest in bonds and other fixed income securities, non-U.S. Securities, futures, options on futures and other commodity interests and money market instruments

The investors in the funds that Bodri manages have no opportunity to select or evaluate any fund investments or strategies. Bodri selects all fund investments and strategies.

Bodri typically does not tailor its services to the individual needs of separately managed accounts, but manages each such account according to the strategy selected by the client. Bodri's discretionary authority is limited, however, as described in Item 16.

Item 5. Fees and Compensation

Quarterly and Annual Fees. Bodri typically charges an annual fee of 1% of assets under management, which amount is payable on the first day of each calendar quarter based on the net market value of each client's account on that date. Bodri also typically is allocated from each investor in an investment fund a performance allocation equal to 10% of net profits (including both realized and unrealized gains and losses) otherwise allocable to that investor and receives from each separately managed account a performance fee equal to 10% of net profits of that account (including both realized and unrealized gains and losses). Performance allocations and fees are assessed in arrears on an annual basis (and on withdrawals from funds during the year with respect to the amount withdrawn), and are only applied to the portion of profits that exceed the cumulative losses previously incurred by clients. Bodri complies with Rule 205-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law. Performance allocations and fees may create an incentive for Bodri to make more risky and speculative investments than it would otherwise make.

Bodri typically deducts management fees and performance allocations and fees directly from client accounts but may bill a client for such amounts on request.

Accounts that invest in mutual funds also pay, indirectly, investment advisory fees to the managers of those funds.

Bodri believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in an investment fund managed by Bodri to use the “alternative reporting option” to report Bodri’s compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

Fees Relating to Terminations and Withdrawals. Relationships with Bodri’s investment fund clients are terminable on expiration of the fund’s term, dissolution of the fund or on Bodri’s withdrawal as general partner or investment adviser. Each investor may withdraw from a fund, on 30 days’ prior written notice, on the last day of any calendar quarter.

Except as may be otherwise negotiated in particular cases, the holder of a separately managed account may terminate the account by giving 30 days’ prior written notice.

In all cases, investors and clients bear expenses, the pro rata portion of the management fee and the performance allocation or fee through the date of termination or withdrawal. For separately managed accounts, Bodri refunds all prepaid but unearned advisory fees on termination of the account. An investment fund does not refund any management fee previously paid by an investor who is permitted to withdraw from that fund on a date other than the last day of a quarter.

Expenses. Each client account is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. Bodri generally bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. Securities brokerage firms and futures commission merchants that execute clients’ securities and commodities trades, however, may pay all or part of these costs and expenses, as discussed in Item 12 below.

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

Bodri currently manages only accounts that pay performance-based compensation as described in Item 5. It does not manage accounts that do not pay performance-based compensation.

Item 7. Types of Clients

Bodri provides investment advice to investment funds and separately managed accounts. Investors in the funds are required to invest a minimum of \$1,000,000. Bodri generally requires a minimum of \$15,000,000 to open a separately managed account. Bodri may waive either of these minimums. Bodri’s separate account clients may include high-net-worth individuals, institutions, trusts, endowments and pension plans.

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

Investment Strategy

Objective. Bodri's investment objective is to maximize investment returns while taking acceptable levels of risk. It uses a long-biased value-driven strategy derived from a top down and bottoms up fundamental research approach.

Investment Approach. Bodri believes that risk-adjusted returns can be achieved by the proper combination of asset allocation and security selection, both of which require intensive macroeconomic and microeconomic analysis in combination with certain data on the fundamental state of the economy and individual industrial sectors and companies.

Bodri's investment exposure varies from a highly liquid status to a fully invested or leveraged status depending on market conditions and investment selections. Bodri may, at times, use leverage and hedging techniques to attain its investment objective. Bodri has no policy limiting the amount of assets it may concentrate in a single issuer or industry.

Types of Investments. Bodri invests principally in publicly traded securities, including, without limitation, stocks, notes, bills, bonds, debentures, subscriptions, options, rights, warrants, American Depositary Receipts, investment contracts and evidences of indebtedness. Bodri also may invest in money market instruments or retained in cash if it believes market conditions warrant this investment strategy.

Methodology. Bodri's analysis is directed by macroeconomic and microeconomic studies. These overview studies should allow Bodri to identify a theme or themes that lead to investment ideas. Fundamental analysis of industries and individual companies identified by this overview process is the next step. This may include any or all of the following:

- Studies of company materials, including annual and quarterly reports, 10K's and 10Q's, brokerage reports and articles in magazines, trade journals and other publications;
- Discussions with company representatives and/or non-affiliated analysts;
- Discussions with competitors, suppliers or customers of companies identified as potential investments;
- Attendance at industry or brokerage sponsored conferences or individual meetings with management of potential portfolio holdings;
- Spread sheet analysis, thereby generating earnings models and balance sheet and cash flow analyses; and
- Studies of stock price history, relative valuation, liquidity and factors influencing stock price performance.

These techniques are directed towards groups and companies that are usually out of favor with investors, appear to be absolutely or relatively undervalued, and are underowned by institutions. Bodri focuses primarily, but not exclusively, on small and medium size companies. It tends to concentrate Bodri's investments in a handful of industries judged to be particularly attractive and/or undervalued. A fully invested portfolio normally contains 25 to 50 different stocks. Bodri's focus is on absolute, not relative, returns. No specific formulas or computer applications are used to pick stocks.

The investment strategies summarized above represent Bodri's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities and commodities in which Bodri may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Bodri may use any trading or investment techniques for its clients' accounts, whether or not contemplated by the investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, Bodri may pursue any objectives or use any techniques that it considers appropriate and in its clients' interests.

Risk Factors

Investing in securities and commodities involves risk of loss that clients should be prepared to bear. Below are brief summaries of some of the risks that clients and investors should consider before investing in any account that Bodri manages. Any or all of such risks could materially and adversely affect investment performance and the value of any account or any security or commodity held in an account, and could cause investors to lose substantial amounts of money. Potential investors in a fund should review such fund's offering circular carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. A potential client or fund investor should discuss with Bodri's representatives any questions that such person may have before opening an account or investing in a fund that Bodri manages.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is unpredictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- Bodri may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Bodri also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- Bodri may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.

- Bodri may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movements in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Bodri is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- Bodri sells securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to deter short sales of the issuer's securities. Bodri could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.
- Bodri may use leverage by, among other things, borrowing on margin, selling securities short, trading futures and other commodity interests and entering into swaps and other derivatives contracts, which increases volatility and risk of loss. These instruments are highly volatile and risky and can be difficult to value. An incorrect valuation could result in losses.
- Bodri may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Bodri does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- Bodri may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.
- Bodri may invest in stock index futures on behalf of its clients. Price movements in the stock index and the underlying securities do not always correlate. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and there is no secondary market for those contracts. There may be no active market for the contracts at any particular time. Some exchanges do not permit trading in particular contracts at prices that fluctuate more than a set limit in any day. If prices fluctuate during a single day beyond those limits, Bodri may not be able to liquidate unfavorable positions promptly and clients may lose money.
- Bodri may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such

country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.

- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities and commodities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Bodri may acquire for a client a large position in an issuer's securities but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if Bodri holds a large position in an issuer's securities, Bodri's subsequent sale of all or any portion of that position could depress the market for those securities.
- Some of an account's positions may be or become illiquid, in which case Bodri may not be able to sell those positions.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which a fund has invested may cause significant losses.
- Bodri determines the value of securities and commodities held in client accounts, whether or not a public market exists for such instruments. If Bodri's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a fund might receive an interest that is worth more or less than the investor paid and an investor that is withdrawing assets might receive more or less than the amount to which the investor is entitled, to the detriment of that investor or the other investors.
- Bodri and its affiliates and agents generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in such loss breached Bodri's fiduciary duty to the client or investor.
- If the assets that Bodri and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Bodri to find attractive investments as the amount of assets that it must invest increases.
- The attorneys who represent Bodri or its manager do not represent clients or investors in the funds managed by Bodri. Clients and investors must hire their own counsel for legal advice and representation.
- Bodri, an administrator or any government agency may freeze assets that any of them believes a client holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of

Bodri, a fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.

- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Bodri must devote to regulatory compliance, to the detriment of investment activities.
- Bodri is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator. The equity interests in the funds that Bodri manages are not registered under the Securities Act of 1933, and the funds are not registered investment companies under the Investment Company Act of 1940. Bodri believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Bodri and any fund could be subject to expensive and distracting legal action and potential termination. In addition, clients and investors in the funds do not have certain regulatory protections that they would have if these registrations were in place.
- Bodri's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- Bodri's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- Bodri and its affiliates may spend time on activities that compete with a client without accountability to that client, including investing for other clients and their own accounts. If Bodri receives better compensation and other benefits from managing other assets or client accounts compared to managing a client, it has incentive to allocate more time to those other activities. These factors could influence Bodri not to make investments on a client's behalf even if such investments would benefit the client.
- Bodri may provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal rights that it does not provide to other investors or clients.

The following are additional risks associated with the investment funds that Bodri manages:

- There is not and will not be an active market for fund interests. It may be impossible to transfer any such interests, even in an emergency.
- A fund and not Bodri is responsible for any trade errors that Bodri makes in an account, even when the error hurts that fund or its investors.
- A fund may be unable to generate cash necessary to satisfy investor withdrawals. Substantial withdrawals in a short period could force Bodri to sell portfolio positions too rapidly, and may so reduce the size of a fund that it cannot generate returns or reduce losses.

- A fund may limit or suspend withdrawals of an investor's assets from the fund.
- A fund may establish a reserve for contingencies if Bodri considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- A fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- The funds do not intend to make distributions, but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a fund without a cash distribution to pay the related taxes.
- If a fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.

The above is only a brief summary of some of the important risks that a client or fund investor may encounter. Before deciding to become a Bodri client or invest in a fund that Bodri manages, you should consider carefully all of the risk factors and other information in the fund's offering circular.

Item 9. Disciplinary Information

Not applicable.

Item 10. Other Financial Industry Activities and Affiliations

Not applicable.

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

Bodri has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for Bodri's supervised persons. The Code of Ethics requires Bodri's supervised persons to comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Bodri's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of Bodri receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Bodri's Code of Ethics by contacting Bryan Schultz at bryan@bodricapital.com or (415) 677-5370.

Under Bodri's Code of Ethics, Bodri and its officers, managers, members and employees may personally invest in the same securities and commodities that Bodri purchases for clients and

may own the same securities and commodities that Bodri subsequently purchases for clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities or commodities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, all such persons' transactions in securities and commodities, other than mutual funds (excluding exchange-traded funds), U.S. government securities, money market instruments and shares of money market funds, must be pre-approved in writing by Bodri's compliance officer. In addition, such persons may not buy or sell a security or commodity for their own accounts until orders for clients in that security or commodity have been filled and there is no buying or selling program in progress. When Bodri executes proprietary trades on the same day as client trades, the client accounts receive the same or more favorable prices as the proprietary accounts. Bodri and its managers, members and employees may also buy or sell specific securities or commodities for their own accounts based on personal investment considerations aside from company or industry fundamentals, which Bodri does not believe appropriate to buy or sell for clients.

Bodri solicits investors who may or may not be Bodri's clients to invest in the investment funds that it manages. Bodri has an incentive to cause a client to invest in such a fund instead of a separately managed account because of the reduced expenses and administrative burdens of managing a fund compared to a separately managed account, Bodri's performance compensation from a fund receives more favorable tax treatment than that from a separately managed account and fund investors have less transparency and liquidity than individual account clients. In addition, if a fund investor also has a separately managed account with Bodri that uses an investment strategy that is similar to that of the fund, the investor may use knowledge of the other account's portfolio to decide if and when to make an additional investment or withdraw assets from the fund at times when other fund investors would have made similar decisions had they had similar transparency. Bodri discloses these conflicts of interest to clients and investors.

Because Bodri may manage more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, Bodri selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. Bodri may buy or sell a security or commodity for one type of client but not for another, or may buy (or sell) a security or commodity for one type of client while simultaneously selling (or buying) the same security or commodity for another type of client. Bodri may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client. Bodri is not obligated to acquire for any account any security or commodity that Bodri or its officers, managers, members or employees may acquire for its or their own accounts or for any other client, if in Bodri's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Item 12. Brokerage Practices

General. Bodri has complete discretion in selecting the broker or futures commission merchant that it uses for client transactions and the commission rates that clients pay such brokers and futures commission merchants. In selecting a broker or futures commission merchant for any

transaction or series of transactions, Bodri may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- willingness to commit capital;
- knowledge of other buyers and sellers;
- special execution capabilities;
- order of call;
- offering to Bodri on-line access to computerized data regarding clients' accounts;
- computer trading systems;
- the availability of stocks to borrow for short trades;
- economic and market information;
- portfolio strategy advice and recommendations;
- industry and company comments;
- technical data;
- performance measuring data; and
- on-line pricing.

Bodri may also purchase from a broker or futures commission merchant or allow a broker or futures commission merchant to pay for the following (each a "soft dollar" relationship):

- research reports, services and conferences, including third-party research fees;
- custody, recordkeeping and similar services;
- proxy voting services;
- periodical subscription fees;
- news wire and data processing charges;
- quotation services;
- computer hardware and software;
- office equipment;
- accounting and administrative fees; and
- legal fees.

Bodri may receive soft dollar credits based on principal, as well as agency, securities and commodities transactions with brokers and futures commission merchants or direct a broker or futures commission merchant that executes transactions to share some of its commissions with a broker or futures commission merchant that provides soft dollar benefits to Bodri.

During Bodri's last fiscal year, it used client brokerage commissions or markups to acquire investment research services, on-line pricing, periodical subscription fees, quotation and trading service charges, Bloomberg terminals and exchange trading data.

Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If Bodri uses commission dollars to pay for products or services that provide administrative or other nonresearch assistance to itself or its affiliates, such payments may not fall within the section 28(e) safe harbor.

Bodri may pay to a broker or futures commission merchant commissions and mark-ups that exceed those that another broker or futures commission merchant might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker or futures commission merchant provides. Bodri determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Bodri’s overall fiduciary duty to its clients. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Bodri’s brokerage relationships benefit Bodri’s operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits and accounts of clients that direct Bodri to use a broker or futures commission merchant that does not provide Bodri with soft dollar services.

Bodri does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate. Bodri generally considers the amount and nature of research, execution and other services provided by brokers and futures commission merchants as well as the extent to which its client accounts rely on such services, and attempts to allocate a portion of the brokerage transactions of its client accounts on that basis. Bodri may use the investment information and other services that it receives from brokers and futures commission merchants, however, in servicing all of its accounts. Bodri believes that allocating brokerage transactions in this manner helps its client accounts to obtain research and execution capabilities and provides other benefits to them.

Bodri’s relationships with brokers and futures commission merchants that provide soft dollar services influence Bodri’s judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. Bodri has an incentive to select or recommend a broker or futures commission merchant based on Bodri’s interest in receiving soft dollar services rather than clients’ interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Bodri uses soft dollars to pay expenses it would otherwise be required to pay itself.

Bodri addresses these conflicts of interest by periodically evaluating the trade execution services that Bodri receives from the brokers and futures commission merchants that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers and futures commission merchants. Bodri considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers or futures

commission merchants, increasing or decreasing targets for each broker or futures commission merchant and the appropriate level of commission rates.

Prime Brokers and Custodians. Bodri has retained Morgan Stanley & Co., Incorporated (“Morgan Stanley”) and JP Morgan Clearing Services Corp. (“JP Morgan”) to serve as the prime brokers and custodians to the investment funds that Bodri manages. Bodri may replace either firm or appoint additional firms at any time. The services that these firms provide as prime brokers and custodians may include custody, margin financing, clearing, settlement and stock borrowing in accordance with the terms of the agreements entered into between the funds and those firms. Morgan Stanley’s address is 1221 Avenue of the Americas, New York, New York 10020. JP Morgan’s address is 383 Madison Avenue, New York, New York 10179. Morgan Stanley and JP Morgan have custody of most of funds’ assets and provide Bodri with other services. These services may include technology services (such as internet access, IT support, Bloomberg connections, wireless networking, e-mail archiving and disaster recovery systems), capital introduction services, portfolio reporting and access to electronic communications networks. Bodri expects to use a substantial portion of these services for research and trading on behalf of the funds that it manages and other accounts, but some may be used for administrative purposes, which would not be within the safe harbor of section 28(e). Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if Bodri did not receive these services from these firms, it would be required to pay for all or some portion of them. Bodri is not required to direct a particular number of trades to either Morgan Stanley or JP Morgan or to continue to use either firm as prime broker and custodian, but it has an incentive to do so based on their prior and continued services.

A client account’s obligations to Morgan Stanley, JP Morgan and any other custodian (and their affiliates) are secured by a first priority perfected security interest over all of that account’s assets held in custody by that custodian. A custodian may transfer to itself or an affiliate all rights, title and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge or otherwise use all such collateral for its own purposes. If any such transfer occurs, the client will rank as such custodian’s (or affiliate’s) unsecured creditor. If such custodian or affiliate becomes insolvent, the client may not be able to recover such equivalent securities in full. In addition, a client account’s cash held by a custodian may not be segregated from such custodian’s own cash and, if not so segregated, may be used by such custodian or affiliate in the course of its business and the client will therefore rank as an unsecured creditor in relation thereto.

If any of a client account’s investments are registered in the name of a custodian or its affiliate due to the nature of the law or market practice of a particular jurisdiction, such investments will not be segregated from the custodian’s or affiliate’s own investments and, if such custodian or its affiliate becomes insolvent, the client may not be able to recover such equivalent investments in full.

Trade Aggregation. Bodri may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that Bodri manages or with accounts of its affiliates. In such event, Bodri may charge or credit a client the average transaction price of all securities purchased or sold in such transactions. As a result, however,

the price may be less favorable to the client than it would be if Bodri were not executing similar transactions concurrently for other accounts. Bodri may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both clients.

Referrals. Bodri may direct a certain amount of brokerage to a broker or futures commission merchant in return for the broker's or futures commission merchant's referral of prospective clients or investors. Directing brokerage in exchange for client or investor referrals creates a conflict of interest in that Bodri has an incentive to refer its clients' brokerage business to brokers and futures commission merchants to which it might not otherwise direct transactions. During its last fiscal year, Bodri did not direct client transactions to a particular broker or futures commission merchant in return for client referrals.

Client Selected Brokers. If a client directs Bodri to use a specific broker, Bodri has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. Bodri is not responsible for obtaining from any such broker the best prices or particular commission rates. A client that directs Bodri to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if Bodri had discretion to select broker-dealers other than those that the client chooses.

Item 13. Review of Accounts

Bodri's manager, Jerome H. Debs II, reviews all accounts at least weekly and typically reviews them daily. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Each account receives a quarterly letter stating performance for the quarter and an annual letter discussing annual performance and investment outlook.

Item 14. Client Referrals and Other Compensation

Bodri may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and Bodri complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

Item 15. Custody

The custodian of each individually managed account sends account statements at least quarterly to the client. Each client should carefully review those statements and compare them with the statements that such client receives directly from Bodri, if any.

Item 16. Investment Discretion

Bodri has discretionary authority to manage investment accounts on behalf of clients pursuant to a grant of authority in each fund's operative agreement or a limited power of attorney in each

client's account agreement. Except for Bodri's investment fund clients, such discretion is limited by the requirement that clients advise Bodri of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A separate account client must promptly notify Bodri in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct Bodri to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a client may notify Bodri at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

Item 17. Voting Client Securities

Bodri votes all proxies on behalf of each account over which it has proxy voting authority based on its determination of such account's best interests. In determining whether a proposal serves an account's best interests, Bodri considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

Bodri abstains from voting proxies when Bodri believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between Bodri and a client, Bodri will vote all proxies in accordance with the policy described above. If Bodri determines that this policy does not adequately address the conflict of interest, Bodri will notify the client of the conflict and request that the client consent to Bodri's intended response to the proxy solicitation. If the client consents to Bodri's intended response or fails to respond to the notice within a reasonable time specified in the notice, Bodri will vote the proxy as described in the notice. If the client objects in writing to Bodri's intended response, Bodri will vote the proxy as the client directs.

A client can obtain a copy of Bodri's proxy voting policy and a record of votes cast by Bodri on behalf of that client by contacting Bodri.

Item 18. Financial Information

Not applicable.

Item 19. Requirements for State-Registered Advisers

Not applicable.

Privacy Policy

Bodri and the investment funds that it manages:

- collect non-public personal information about their clients and investors from the following sources:
 - information received from clients or investors on applications or other forms, and
 - information about clients' or investors' transactions with Bodri, its affiliates or others;
- do not disclose any non-public personal information about their clients or investors or former clients or investors to anyone, except as permitted by law;
- restrict access to non-public personal information about their clients and investors to their employees who need to know that information to provide services to clients; and
- maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.

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