

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Gorelick Brothers Capital, LLC (hereinafter “Gorelick Brothers Capital”, “the firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (704) 442-1094 or at tgorelick@gorelickbrotherscapital.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. Reference made to Gorelick Brothers Capital as being a registered investment adviser does not imply any particular level of skill or training by our firm or employees or that the SEC has endorsed our respective qualifications to provide investment advisory services.

Additional information about Gorelick Brothers is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Gorelick Brothers Capital is 160517.

ITEM 2. MATERIAL CHANGES

This Item 2 is used to provide our clients and Fund investors with a summary of new and/or updated information. Consistent with SEC rules, we seek to ensure that our clients and Fund investors receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide interim disclosure regarding material changes as necessary.

The last update of this Brochure was filed by Gorelick Brothers Capital with the SEC in March 2013. Please review carefully the following material changes that have been made since the last update:

- Item 4 was amended to discuss the anticipated restructuring of the Access Funds into a master/feeder arrangement on April 1, 2014 as well as the anticipated launch of Morrocroft Neighborhood Stabilization Fund II, LP in June 2014;
- At Item 8 we added a summary of the risks inherent in the strategy employed by MNSF and cross referenced the appropriate PPMs for a more thorough discussion of the risks inherent in the strategies employed for each of the Funds;
- Item 10 was amended to disclose certain affiliated persons and activities including USAFolios, LLC, a related investment adviser, GBC Residential Management, LLC and Biltmore Family Office.

Please note that the foregoing represents only material changes made to this Brochure since our last updating amendment.

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ITEM 4. ADVISORY BUSINESS

Gorelick Brothers Capital is an SEC-registered investment adviser with its principal place of business in Charlotte, NC. The firm has been in business since 2003. Todd and Israel Gorelick and Christopher Skardon are the principal owners of the firm. (For purposes of this Brochure, principal owners include those with at least a 25% interest in the firm).

Gorelick Brothers Capital provides investment management services (either as adviser or subadviser) solely to the private funds and other pooled investment vehicles set forth below (hereinafter collectively, “the Funds”). The Funds are not required to register under the Securities Act of 1933 or the Investment Company Act of 1940 in reliance upon certain available exemptions. Interests in the Funds are limited to certain qualified investors as set forth in the applicable Fund’s offering documents. We manage the Funds on a discretionary basis in accordance with the terms and conditions of each Fund’s offering and organizational documents. As of December 31, 2013, the firm managed approximately \$292,064,739.

Several of the Funds are managed as “funds of hedge funds” and, in respect of these Funds (hereinafter “FoHFs”), we primarily transact in the interests of the underlying hedge funds which in turn trade in various securities or other investments for the underlying fund. On a limited basis, however, we may also directly buy or sell securities or other investments for the FoHFs. Also, on a limited basis, we may allocate a percentage of a FoHF’s assets to be managed by a third-party manager in a separate account, rather than through a hedge fund or other pooled investment vehicle.

THE MORROCROFT SPECIAL OPPORTUNITY FUNDS: Gorelick Brothers Capital serves as investment adviser to Morrocroft Special Opportunity Funds, which include:

- Morrocroft Special Opportunity Fund I, LP, a Delaware limited partnership (hereinafter “*Fund I*”);
- Morrocroft Special Opportunity Fund II, LP, a Delaware limited partnership (hereinafter “*Fund II*”);
- Morrocroft Special Opportunity Fund II-a, LP, a Delaware limited partnership (hereinafter “*Fund II-a*”);
- Morrocroft Special Opportunity Offshore Fund II, LP, a Cayman Islands exempted limited partnership (hereinafter “*Fund II Offshore*” and collectively with Fund II, and Fund II-a, the “*Morrocroft Funds*”).

In general, and except as set forth below, the Morrocroft Funds are FoHFs managed in parallel with each other. In other words, these Funds will typically hold the same underlying funds and, if applicable, separately managed accounts or other securities or investments, in roughly the same percentages subject to cash availability, availability of interests in the underlying funds and other considerations. As such, they are managed according to the same strategy and have similar risk profiles.

Although Fund I has the same investment objectives, is also a FoHF, and will be managed using a strategy similar to the Morrocroft Funds, Fund I is not managed in parallel with the Morrocroft Funds and may hold the same or different funds, separately managed accounts or other securities or investments in similar or different percentages. In addition to being a fund of hedge funds, Fund I is structured as a private equity fund. Unlike the other Funds advised or subadvised by Gorelick Brothers Capital, private equity funds receive unfunded capital commitments from investors during one or more initial fundraising stages, after which the Fund is generally closed to new investors. Gorelick Brothers Capital then calls on Fund I investors to make capital infusions, based on their commitments, to support the Fund's investments once those investments have been identified and fully vetted through an extensive due diligence and negotiation process.

The investment objective of both Fund I and the Morrocroft Funds is to seek profit from opportunities arising as a result of the disruption in credit markets, especially those related to residential mortgage lending. We seek to achieve this objective by allocating each Fund's assets among a group of underlying funds or portfolio managers that primarily invest in agency residential mortgage-backed securities ("RMBS"), non-agency RMBS, and residential whole loans.

ACCESS FUNDS: The Access Fund Management Company, an unaffiliated corporation, serves as investment manager to the Access Funds, which are also FoHFs. Beginning January 2012, Gorelick Brothers Capital was engaged by the Access Fund Management Company as sub-adviser to the Access Funds, which include:

- The Access Fund, LP, a California limited partnership (hereinafter the "*Access Fund*"); and
- Access Fund II, LP, California limited partnership (hereinafter "*Access Fund II*" and collectively with the Access Fund "*the Access Funds*").

Through March 31, 2014, the Access Fund and Access Fund II will continue to be managed in parallel with each other. Beginning April 1, 2014, the Access Funds will be restructured into a master/feeder arrangement. Under this new structure, investment and trading activity of Access Fund II will take place indirectly through an investment of substantially all of the Fund's assets in interests in the Access Fund..

The investment objective of the Access Funds is to seek capital appreciation, preservation of capital and reduction of risk by allocating the Funds' assets among a selected group of underlying funds and managers for the Fund. The Fund seeks to benefit from a diversity of strategies and risk characteristics among such funds and managers. We seek to achieve this objective by allocating each Fund's assets among a group of underlying funds or portfolio managers that invest in specific strategies broadly categorized as equities, specialized credit, relative value and event driven. The Access Funds may also invest in other investment strategies that we believe will further the Funds' investment objective.

For each of the FoHFs, Gorelick Brothers Capital evaluates, selects and monitors the underlying funds and managers through a robust due diligence process in which we seek to evaluate a prospective fund or separate account manager's business operations, integrity, execution ability, portfolio risk management and the risks and opportunities inherent to its strategy. The allocation of the Funds' assets to various funds, managers or other investments is intended to minimize overall risk while maximizing the ability to achieve each Fund's objective. Although some of the current managers underlying the Access Funds were initially selected by *Access Fund Management Company*, once engaged as subadviser, Gorelick Brothers Capital retroactively vetted these managers through our process and continues to monitor them in accordance with our strict criteria.

MORROCROFT NEIGHBORHOOD STABILIZATION FUNDS: Gorelick Brothers Capital serves as Investment Advisor to the Morrocroft Neighborhood Stabilization Funds, which include:

- Morrocroft Neighborhood Stabilization Fund, LP (hereinafter "*MNSF I*"); and
- Morrocroft Neighborhood Stabilization Fund II, LP (hereinafter "*MNSF II*" and collectively with MNSF I, "*MNSF*"). The anticipated launch date for MNSF II is June 2014.

The investment objective of MNSF is to capitalize on the oversupply of U.S. single family housing and increased demand for rental property. The Funds seek capital appreciation and stable income through the acquisition and rental of foreclosed and distressed housing in attractive markets. As such, the advice provided by Gorelick Brothers Capital to MNSF will not typically include securities related advice.

ADDITIONAL CONSIDERATIONS: The information provided herein merely summarizes the detailed information provided in each Fund's offering and organizational documents. Prospective investors in any one or more of the Funds should be aware of additional risks and requirements associated with investment. Prospective investors should refer to the appropriate Fund offering and organizational documents for important additional information and considerations.

ITEM 5. FEES AND COMPENSATION

For our services to the Funds, we charge a Management Fee as described below. In addition, with respect to Fund I and the Morrocroft Funds, the General Partners (as defined at Item 10 of this Brochure) may receive an annual performance allocation or carried interest, a form of performance based compensation (hereinafter "Performance Fees"), as described below.

MANAGEMENT FEES: In general, with respect to Fund I and the Morrocroft Funds, Gorelick Brothers Capital receives a monthly management fee equal to 0.0833% (approximately 1.0% annually) from each investor's share of the Fund's Net Asset Value

(the “Management Fee”). The Management Fee will generally be calculated and payable to Gorelick Brothers Capital monthly, in advance, as of the first day of each month.

As subadviser to the Access Funds, Gorelick Brothers is compensated by a percentage of the overall Management Fee charged to those Funds by Access Fund Management Company, General Partner and investment manager to the Access Funds. The total fee generally charged to the Access Funds by the Access Fund Management Company is equal to 0.1458% (approximately 1.75% annually) from each investor’s share of the applicable Fund’s Net Asset Value. The Access Funds’ Management Fee is charged monthly, in advance, as of the first day of each month.

The standard monthly management for MNSF is 2.0% per annum of aggregate Commitments during the Investment Period (as defined in MNSF’s Private Placement Memorandum). After the Investment Period, 2.0% per annum of the lesser of (i) aggregate Commitments and (ii) Adjusted NAV. The Management Fee will generally be calculated and payable to Gorelick Brothers Capital quarterly, in advance, as of the first day of each quarter.

PERFORMANCE FEES: The General Partners of Fund I, the Morrocroft Funds and MNSF are entitled to a percentage of the applicable Fund’s distributions of net profits as performance compensation, generally 10% for FoHFs and 20% for MNSF (specifically, the Regular Carried Interest), only after the applicable Limited Partner has received a return of its entire capital contribution to the Fund and a preferred return as set forth in the applicable Fund offering documents. In addition, for the Morrocroft Funds generally, the distribution of performance compensation to the General Partner (specifically, the Special Carried Interest) is accelerated upon any voluntary withdrawal of profits by a Limited Partner.

Except as otherwise agreed by and between Access Fund Management Company and any particular investor under legacy terms, through a side letter arrangement or otherwise, investors in the Access Funds are not charged a Performance Fee in addition to the Management Fee set forth above. Performance based fees paid by Access Fund investors under these arrangements are paid to Morrocroft Capital Partners, LLC, an affiliate of Gorelick Brothers Capital through common ownership and control (hereinafter “the Special Limited Partner”).

GENERAL INFORMATION:

Personal Investments in Funds: Certain executive officers and/or other employees of Gorelick Brothers Capital and/or their family members have invested or may invest a portion of their personal net worth in one or more of the Funds. In addition, certain trusts and other entities formed for the benefit of certain of the Managing Members’ family members have invested in one or more of the Funds, and, in some cases, in some of the underlying funds in which the Funds have invested.

Different Fee Schedules: The Management Fee and each General Partner’s Performance

Fee may be discounted or waived with respect to any investor for any particular period of time at the sole discretion of Gorelick Brothers Capital or the General Partner, as applicable. Such discounted rate or waiver is not available to all or even most investors in the Funds.

Termination: In general, an investor in Fund I or MNSF may not withdraw from the fund. An investor in any of the Morrocroft or Access Funds may withdraw all or any part of its investment from any of the Funds as set forth in the applicable Fund's offering documents. Gorelick Brothers Capital or the General Partner, as applicable, may in its sole discretion, waive or modify any of the terms of withdrawals for certain investors who are relatives, employees or affiliates of Gorelick Brothers Capital or the General Partner or its Principals, or for certain large or strategic investors as well as in any other case.

Investors in each Fund should refer to the appropriate Fund's private placement memorandum and offering documents for complete information regarding withdrawals of investments.

Other Fees and Expenses: Prospective investors in any one of the FoHFs, should note that he/she will incur at least two layers of fees: Our management fee (or, in the case of the Access Funds, Access Fund Management Company's management fee, which is shared with Gorelick Brothers Capital) and performance based compensation, as set forth above, as well as the management fee and/or a performance-based compensation charged by the underlying hedge funds in which the Funds invest. This layering of fees is incorporated in the net income or loss of the Funds, is not readily apparent to investors and will lower the investor's overall return.

While it is not anticipated that mutual funds will be included in the clients' portfolios, money market mutual funds may be used to "sweep" unused cash balances until they can be appropriately invested. In addition, from time to time, as appropriate, we may invest a portion of the Funds' assets in real estate investment trusts ("REITs") or other publicly traded funds. Investors should recognize that all fees paid to Gorelick Brothers Capital for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, REITs, exchange traded funds (ETFs) and other funds to their shareholders. 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.

The Funds will also generally be responsible for certain Fund expenses, including, but not necessarily limited to, legal expenses, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, accounting expenses, auditing and tax preparation expenses, organizational expenses, insurance, government fees and taxes, expenses incurred in connection with the offering and sale of the Fund's interests and other similar expenses related to the Fund. No Fund will be responsible for or otherwise incur the expenses attributable to any other of the Funds.

MNSF will also incur expenses for property management, certain systems expenses, valuation services, insurance, taxes, leasing and sales, and brokerage commissions.

In addition to fees paid to our firm or the General Partner, as appropriate, and to each of the underlying fund managers, investors will also be responsible for the fees and expenses charged by custodians and imposed by any broker dealer with which Gorelick Brothers Capital or an underlying fund manager effects transactions for the Funds. Please refer to Item 12 of this brochure for additional information regarding brokerage.

Side Letters: Gorelick Brothers Capital or the General Partner, as appropriate, has and may in the future, waive or modify the terms of investment for certain large or strategic investors, in side letters or otherwise, in its sole discretion, including but not necessarily limited to, a waiver or lowering of the Management or Performance Fees or fee structure. We may also agree to increased transparency or reporting though we would typically provide similar increased transparency and/or reporting to other investors upon their request.

“Side Pockets”: A portion of any of the Funds’ capital may, from time to time, be invested in illiquid securities and instruments or which become illiquid after an investment is made. Under these circumstances, Gorelick Brothers Capital has the authority to hold such investments in separate, special situation sub-accounts (each a “Side Pocket”). Side Pockets will generally carry significant or complete restrictions on transfer or liquidation prior to the occurrence of events, which will typically be outside of our control or that of the General Partner of the effected Fund(s). A Fund investor may be required to hold Side Pocket assets for several years before any disposition can be effected.

Direct Debiting: All fees are directly debited from each investor’s capital account as appropriate.

General: The information provided above is merely a summary of some of the salient terms and conditions of investing in the Funds. Investors and prospective investors should refer to the appropriate offering and organizational documents for additional detailed information, terms, conditions and risks involved with investing in the Fund(s).

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As we disclosed at Item 5 of this Brochure, the General Partner to Fund I and the Morrocroft Funds and the Special Limited Partner to the Access Funds, each an affiliate of Gorelick Brothers Capital through common ownership and control, will receive performance-based compensation from the Funds, as appropriate. Such performance-based compensation is generally calculated based on a share of all net realized income and gains and losses of the Fund.

Investors and prospective investors in any of the Funds should note that performance-based compensation, in some contexts, can create an incentive for an adviser such as Gorelick Brothers Capital to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Side-by-side management refers to multiple client relationships where an adviser manages more than one advisory client relationship or portfolio on a simultaneous basis. For example, at this time, Gorelick Brothers Capital provides advisory services to Fund I, the Morrocroft Funds and MNSF from which our affiliates will receive performance based compensation, when applicable, and to the Access Funds, from which it will only receive performance based compensation from certain investors. Various conflicts of interest arise by such side-by-side management. For example, in theory, we could have incentive to favor a Fund paying performance-based compensation over one that does not pay performance-based compensation or a Fund paying higher aggregate performance-based compensation over one paying less. Again, in theory we could have incentive to favor a Fund in which members, officers and employees of Gorelick Brothers Capital and our affiliates have more of their personal or family assets invested. Since we endeavor at all times to put the interest of the Funds (and any new Fund launched by Gorelick Brothers Capital in the future) first as part of our fiduciary duty as a registered investment adviser, we will take the following steps to address any such conflicts, as applicable:

- We will disclose to investors and prospective investors the existence of material conflicts of interest, including the potential for our firm and its employees to earn more compensation from some Funds than others, if applicable;
- With respect to Funds managed in parallel and other limited situations where an investment may be appropriate for more than one of the Funds, we have implemented written policies and procedures for fair and consistent allocation of investment opportunities among the Funds, subject to the cash, availability of interests in the underlying portfolio companies and other appropriate considerations;
- We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Performance-based compensation 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.

ITEM 7. TYPES OF CLIENTS

Our firm provides investment management services to several private investment funds as disclosed at Item 4 of this Brochure.

Except as permitted by us or the General Partner, in accordance with the appropriate Fund's subscription documentation, the minimum required initial investment for the Access Funds is \$500,000 and for MNSF, \$100,000. With respect to Fund I, Fund II and

Fund II Offshore, the minimum required capital commitment was \$2 million. With respect to Fund II-a, the minimum required capital commitment was \$250,000.

Because interests in the Funds and any new Fund launched by Gorelick Brothers Capital or our affiliates were and will be offered pursuant to certain exemptions from registration under the Securities Act of 1934 and the Investment Company Act of 1940, any investor or prospective investor in a Fund managed by Gorelick Brothers Capital must meet certain minimum qualifications requirements as set forth in the applicable Fund's subscription documents.

Investors and prospective investors should refer to the appropriate Fund's offering documents for information regarding that Fund's minimum required capital investment as well as any additional qualifications required for investment.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

FoHFs

As adviser to FoHFs, our firm primarily invests in the interests of other hedge funds. As such, traditional fundamental, technical or other securities analysis is not possible when formulating recommendations. Instead, we rely on a robust due diligence process of the hedge funds and their investment managers in determining which funds to invest in on behalf of our clients.

It is our policy and practice to conduct initial due diligence with respect to the investment manager of any prospective hedge fund investment and to monitor any selected investment manager on an on-going basis to determine and evaluate the portfolio management team's background, experience and philosophy; the process by which the manager makes investment decisions; how those decisions are implemented; the manager's investment track record in both up and down markets; the manager's risk management controls, parameters and evaluation process, and the adequacy and effectiveness of the manager's operational and compliance controls and infrastructure. It is our policy and practice to seek to avoid investment in any hedge fund where we determine that the manager of such fund has failed to adopt certain minimal operational and compliance controls and safeguards.

The principal driver of portfolio selection is the relative skill set of the underlying fund managers in research, trading, risk management and organization building, with integrity of the individual(s) managing the hedge funds the paramount consideration.

The identity of underlying fund managers is likely to change over time; they may be removed by us or a new manager may be appointed without prior notice or consent of investors.

A primary source of information used to identify potential hedge funds for investment include personal references, qualitative reviews of fund's portfolio managers as described above, and review of the Fund Offering Memorandum, Limited Partnership Agreement, Subscription Agreement, performance records and other documents.

One of the primary risks of investing with a third-party fund manager based, in part, on successful past performance is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for the Funds. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent fraud or other business, regulatory or reputational deficiencies.

We generally purchase interests in underlying hedge funds with the idea of holding them in the Funds for a year or longer. This investment strategy is typically referred to as "long-term purchases." A risk in a long-term purchase strategy is that, if our projected analysis of the underlying fund's performance is incorrect or if the of the underlying fund's manager deviates from the stated investment mandate or strategy of the portfolio, it will usually take 90 days or longer before we can liquidate the position.

MNSF

Market Analysis: Before purchasing single family homes to rehabilitate and lease, Gorelick Brothers Capital determines which Core Based Statistical Areas ("CBSAs") present strong investment opportunities. CBSAs are geographic areas consisting of a county or counties associated with at least one core urbanized center or urban cluster having a high degree of social and economic integration as measured through commuting ties, among other things. Gorelick Brothers Capital's market selection is based on a multi-phase model which evaluates all 744 CBSA's in the continental United States. Gorelick Brothers Capital engages third-party firms specializing in distressed residential real estate data analysis and econometric modeling to rank CBSAs based on a variety of inputs, including rental yields, price appreciation forecast, employment and local economic characteristics, amongst others.

To supplement the third party analysis, Gorelick Brothers Capital applies qualitative filters, including price limits and supply parameters, to eliminate markets with high costs or insufficient inventory. The Firm then considers additional factors such as the relative strength of operational support from the Fund's service providers and a market's value in diversifying the portfolio geographically. Gorelick Brothers Capital expects to re-evaluate its market selection periodically.

Operations/Management: Gorelick Brothers Capital has contracted with its subsidiary GBC Residential Management, LLC ("GBC RM") to perform certain property management services. GBC RM outsources most property management services to third parties having a physical presence in local markets either directly, or in concert

with other vendors, to provide a substantial share of such services including buyer's and seller's representation, property rehabilitation, leasing, rent collection, maintenance and other property management functions. Through a master property management agreement with a national vendor, GBC RM avails itself of a robust technology platform, consistent processes, comprehensive reporting capability, financial controls, compliance expertise, local market knowledge, and scalable execution ability across diverse geographies.

Asset Sourcing: Locating foreclosed, short sales or other distressed properties to purchase is a critical part of the Fund's strategy. Most of these types of houses are posted on databases or a local market Multiple Listing Service ("MLS"). Gorelick Brothers Capital relies on these sources to identify specific houses which meet its acquisition parameters. The Firm selects for purchase properties it deems suitable for the Funds' investment program and performs pre-purchase due diligence on each property. MNSF does not expect courthouse or sheriffs' auctions of foreclosed properties or large bulk acquisitions to be predominant modes of acquisition.

Exit Strategy: Based on the life cycle of MNSF, the Investment Advisor anticipates that the properties will be held by the Fund for 5-7 years. Gorelick Brothers Capital will take market conditions, the remaining term, tax matters and other factors into consideration when determining the timing and method of liquidating the portfolios. MNSF may dispose of assets through sales to existing tenants or the general public, in one or more bulk sales to other investors, through a public offering or other means.

Risks: There are a number of risks inherent in MNSF's investment strategy. The profitability of MNSF substantially depends upon Gorelick Brothers Capital correctly assessing the future values of various real estate assets, as well as the movements of interest rates and their impact on the real estate industry. There can be no guarantee that Gorelick Brothers Capital will be successful in accurately predicting such values and interest rate movements. In addition, the real estate market can be relatively illiquid at times, which may limit the ability of MNSF to dispose of an asset.

The operation of real estate, cashflows from operations, and values of real estate are affected by a number of factors, many of which are described below. These factors and conditions may also limit MNSF's revenues and available cash. These factors and conditions include, among other things:

- how well the property manager and other parties manage MNSF's properties;
- economic conditions that could cause an increase in operating expenses, such as increases in property taxes, utilities, compensation of on-site associates and routine maintenance;
- whether MNSF is able to pass some or all of any increased operating costs through to tenants;
- inaccurate cost estimates;
- a decline in household formation or employment or lack of employment growth;

- local or national strikes or other workforce issues;
- local conditions, such as an oversupply of rental properties or a reduction in demand for real estate in the area;
- consequences of any armed conflict involving, or terrorist attack against, the United States;
- whether tenants consider a property attractive;
- a favorable interest rate environment that may result in a significant number of potential residents deciding to purchase homes instead of renting;
- rent control or rent stabilization laws, or other laws regulating housing;
- changes in market rental rates and the inability or unwillingness of residents to pay rent increases; and
- the timing and costs associated with property improvements and rentals.

MNSF's strategy is affected by a number of economic factors, including the level of economic activity in the markets in which it operates. A decline in economic activity could materially affect MNSF's financial condition and results of operations. The real estate market is influenced by factors such as interest rates, inflation, employment rates and other macroeconomic factors over which MNSF has no control. Any decline in economic activity as a result of these factors may result in a decrease in the number of transactions in which MNSF intends to or can participate, and in their profitability.

The above merely summarizes some of the material risks inherent in Funds' investment strategies and Gorelick Brothers Capital's methods of analysis with respect to those strategies. For a more thorough discussion of the risks involved with the strategies employed for the Funds, investors and prospective investors should carefully review the appropriate private placement memorandum.

Risks in General: Securities investments are not guaranteed and you may lose money on your investments. Investors or prospective investors should carefully review the Private Placement Memorandum for the applicable Fund under consideration for a detailed explanation of many of the risks associated with the particular fund based on its objective and investment strategy as well as the underlying investments and other specific risks.

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.

Neither our firm nor our management personnel have reportable disciplinary events to disclose.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Gorelick Brothers Capital is affiliated through common ownership and control with USAFolios, LLC (“USAF”), an investment adviser registered with the Securities and Exchange Commission. USAF also shares a principal office with Gorelick Brothers Capital though all records of the firms are maintained separately. USAF primarily provides asset allocation services using ETFs through separately managed accounts. Therefore, there is no overlap with respect to the strategies employed by USAF and Gorelick Brothers Capital for its clients.

In addition, Gorelick Brothers Capital has a minority interest in Biltmore Holdings, parent company of Biltmore Family Office, LLC (“BFO”), a SEC registered investment adviser. Todd Gorelick, a Managing Member of Gorelick Brothers Capital, also serves on the board of directors for Biltmore Holdings. Todd Gorelick and David Piho, assistant portfolio manager for Gorelick Brothers Capital, also serve on the Investment Committee for BFO. While it is anticipated that BFO will, as appropriate, refer prospective clients or investors to Gorelick Brothers Capital, there is currently no referral fee arrangement between the firms.

Furthermore, Gorelick Brothers Capital wholly owns and controls GBC Residential Management, LLC (“GBC RM”). As disclosed at Item 8 of this Brochure, GBC RM has been retained to perform certain property management services for MNSF. GBC RM outsources most property management services to third parties having a physical presence in local markets either directly, or in concert with other vendors, to provide a substantial share of such services including buyer's and seller's representation, property rehabilitation, leasing, rent collection, maintenance and other property management functions.

MSO Capital Partners, LLC (hereinafter the “Fund I General Partner”), a Delaware limited liability company affiliated with us through common ownership and control, is the General Partner to Fund I. Similarly, MSO Capital Partners II, LLC (hereinafter the General Partner and together with the Fund I General Partner, “the General Partners”), also a Delaware limited liability company affiliated with us through common ownership and control, is the General Partner to the Morrocroft Funds. Morrocroft Capital Partners, LLC, a Delaware limited liability company affiliated with us through common ownership and control, is Special Limited Partner to the Access Funds. Morrocroft Housing Partners, LLC and Morrocroft Housing Partners II, LLC, each a Delaware limited liability company affiliated with us through common ownership and control are General Partners to MNSF I and MSNF II respectively.

Todd Gorelick, Israel Gorelick, and Christopher Skardon, each Managing Members of Gorelick Brothers Capital, are also the Managing Members of the General Partners and the Special Limited Partner. As disclosed at Item 4 of this Brochure, Gorelick Brothers Capital is not affiliated with Access Fund Management Company, General Partner and Investment Manager to the Access Fund and Access Fund II, but has been engaged by Access Fund Management Company to act as subadviser to the Access Funds. Harold S. Zlot, President of Access Fund Management Company serves on the Gorelick Brothers

Capital investment committee when the committee considers matters relating to the Access Funds.

As disclosed at Item 5 of this Brochure, the General Partners are entitled to any Carried Interest (Performance Fees) earned pursuant to the terms and conditions of the Morrocroft Funds' offering documents and the Special Limited Partner is entitled to receive the Performance Fees, if any, earned pursuant to the terms and conditions of the Access Funds' offering documents (and side letter agreements). As such, these fees will ultimately inure to the benefit of the principals of Gorelick Brothers Capital.

ITEM 11. CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering and provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients, including investors and prospective investors in one or more of the Funds, upon request to the Chief Compliance Officer, at the firm's principal office address.

As disclosed at Item 5 of this Brochure, certain executive officers and/or other employees of Gorelick Brothers Capital and/or their family members have invested or may invest a portion of their personal net worth in one or more of the Funds. In addition, certain trusts and other entities formed for the benefit of certain of the Managing Members' family members have invested in one or more of the Funds, and, in some cases, in some of the underlying funds in which the Funds have invested.

It is the expressed policy of our firm that no person employed by us may usurp an investment opportunity for a personal account, family member's account, or any other account over which the officer or employee may have investment authority, when the opportunity may be appropriate for one or more of the Funds, without first presenting the opportunity to our Investment Committee, particularly when there is limited availability for participation in the opportunity.

As these situations present conflicts or potential conflicts of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

- No officer or employee of our firm may prefer his or her own interest, or the interests of immediate family members or other beneficial owners of accounts in which the officer or employee may have investment authority, to that of an

advisory client.

- We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
- All of our officers and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

The Investment Advisers Act of 1940 makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, to knowingly sell any security to, or purchase any security from, a client without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the client's consent to the transaction. This rule may apply to certain transactions involving accounts in which investment advisers have interests, such as private fund investments by the firm's owners, principals, or employees. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a fund's outstanding securities, it would be effectively treated as a principal transaction if such an account were to engage in a trade with another client account or fund.

Gorelick Brothers Capital has adopted specific policies and procedures for monitoring the level of proprietary ownership in each Fund it manages. As a general matter, neither the Firm nor our related persons are permitted to engage in principal transactions with the Funds. In the event of a change to this policy, Gorelick Brothers Capital will obtain the requisite consent before engaging in such a transaction as required and will amend these disclosures accordingly.

ITEM 12. BROKERAGE PRACTICES

Because each of the Funds investing in securities is structured as a fund of hedge funds, we do not directly manage client securities portfolios in the traditional sense, but rather, we invest those Funds' assets in the interests of other hedge funds that are directly managed by unrelated third-party investment managers. The manager of any fund considered for investment will generally have their own policies, practices and procedures with respect to brokerage. These underlying fund managers will generally have been granted the discretionary authority to select the broker dealer through which to execute trades on behalf of the underlying fund through the fund's organizational documents, offering documents or investment management agreement.

As part of its due diligence, Gorelick Brothers Capital will seek to ensure that any manager of a hedge fund recommended for the Funds has adopted written policies and procedures reasonably designed to ensure that the manager will obtain best execution for trades placed in the underlying fund and that the manager endeavors to select brokers, dealers or other

counterparties that will provide the best services at the lowest commission rates possible under the circumstances. It should be noted, however, that we do not have any direct influence or control over the underlying managers' selection of brokers or counterparties when executing transactions.

Due to the nature of our advisory services and investment model, we will directly execute a transaction for a Fund primarily when implementing a recommendation that the Fund invest in a hedge fund or other private fund. Depending on the specific circumstances, we will typically subscribe to the interests of a fund on behalf of one or more of the Funds through direct contact with the private fund's general partner or manager or by responding to a solicitation of a finder or the fund's placement agent or prime broker. Typically, due to the limited nature and regulatory structure of the private funds, multiple subscription sources, finders or prime brokers will not be available and we may not be able to seek to execute the transaction through any other source or to negotiate finder fees, if any.

On a limited basis, we may directly trade in securities or other investments (other than the interests of other hedge funds or private funds) on behalf of the Funds. Under these circumstances, it is our policy to seek the best overall execution under the circumstances when selecting a broker through which to place the trade. Our principal considerations when selecting a broker is the broker's compatibility with the Fund custodian's clearing and settlement platform and the capacity for the assets to be held in the name of the Fund rather than in "street name." Assuming that a broker meets these principal criteria, additional considerations when selecting a broker, as applicable, may include the following:

- Overall costs of a trade (*i.e.*, net price paid or received) including commissions, mark-ups, mark-downs or spreads in the context of Gorelick Brothers' knowledge of negotiated commission rates currently available and other current transaction costs;
- Quality of execution including accurate and timely execution, clearance and error/dispute resolution;
- The broker's ability to execute transactions of size in both liquid and illiquid markets at competitive market prices without disrupting the market for the security traded and the ability of the broker to obtain exposure in the countries traded;
- The range of services offered by the broker, including the quality and timeliness of market information (market color, ideas), range of markets and products covered, quality of research services provided and recommendations made by the broker;
- The broker's access to particular issuers (e.g., coverage of securities, access to public offerings and research materials);
- The broker's financial responsibility, creditworthiness and responsiveness;
- The broker's reputation, financial strength and stability as compared with others.

As a matter of practice, where the Investment Committee has determined that a security or other investment should be bought or sold for more than one Fund, it is our policy, so far as is practical within the constraints of each Fund's investment guidelines, that purchases and sales generally be executed in large blocks and allocated proportionately among each Fund for which they are appropriate. In these instances the Funds participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits from any broker, dealer or other counterparty.

With respect to MNSF, we will seek to engage real estate brokers for the sale of properties in the best interests of the Fund, including the commission rate negotiated and the overall quality of the brokerage services offered.

ITEM 13. REVIEW OF ACCOUNTS

REVIEWS:

FoHFs: Gorelick Brothers Capital monitors the portfolio managers of each underlying fund on an ongoing basis and investment policies and philosophies are discussed with each manager regularly.

On at least a monthly basis, the Investment Committee conducts internal meetings to discuss the underlying funds and fund managers, though not every fund or manager will necessarily be discussed each month. Key investment personnel at Gorelick Brothers Capital include Todd Gorelick, Israel Gorelick and Christopher Skardon, each of whom is a Managing Member of Gorelick, as well as David Piho, assistant portfolio manager of the firm. As disclosed at Item 10 of this Brochure, Harold S. Zlot, President of Access Fund Management Company serves on the Gorelick Brothers Capital Investment Committee when the committee considers matters relating to the Access Funds.

MNSF: The Investment Committee typically meets on at least a weekly basis and will review and discuss the MNSF portfolio as necessary. Gorelick Brothers' investment personnel responsible for monitoring MNSF include Todd Gorelick, Christopher Skardon, both Managing Members of Gorelick, David Piho, assistant portfolio manager, Marc Silverstein, Director of Operations, GBC RM, and John Duich, Field Quality Manager, GBC RM.

REPORTS: The Funds are audited annually by an independent certified public accountant that is both registered with and subject to regular inspection by the Public Companies Accounting Oversight Board and a copy of the audited financials are sent to each investor on a timely basis.

In addition to annual audited financials, investors will receive at least monthly reports of the performance of the applicable Fund as compared to an applicable benchmark.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Other than as already disclosed at Item 10 of this Brochure, neither Gorelick Brothers Capital, nor any officer, director or employees of the firm, receive compensation from third parties in connection with providing investment advice to its clients.

Currently, the Funds are the firm's only clients. As part of our marketing efforts, we, or the Fund General Partner, as applicable, have entered into arrangements to compensate certain persons, including third party placement agents and/or others, for referring investors to the Funds. If an investor is referred to one of the Funds through one of these arrangements, we will pay the referring party a fee calculated as an agreed percentage of the investor's initial investment in the Fund and/or an on-going fee based on a percentage of the Management Fee and/or Performance Fee or Allocation charged to the investor's capital account by Gorelick Brothers Capital.

We reserve the right to enter into additional, similar arrangements in the future. Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer may be motivated, at least partially, by financial gain and not because the Funds are the most suitable to the prospective investor's needs.

ITEM 15. CUSTODY

Because we act as investment adviser and as general partner to some of the Funds, we are deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we seek to have each of the Funds audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). For each FoHF, we seek to send the audited financials to each investor within 180 days of the applicable Fund's fiscal year end. With respect to MNSF, we seek to send the audited financials to each investor within 120 days of the applicable Fund's fiscal year end.

ITEM 16. INVESTMENT DISCRETION

As investment adviser to the Funds, Gorelick Brothers Capital is granted the discretionary authority in the relevant organizational documents and/or advisory agreements to determine which securities or other assets and the amounts of such securities or other assets that are bought or sold for the Funds.

ITEM 17. VOTING CLIENT SECURITIES

Typically, FoHF underlying fund managers will vote proxies with respect to the holdings in their respective funds. However, in certain circumstances Gorelick Brothers Capital may be required to vote proxies solicited by the underlying funds whose interests are held directly by the Funds or with respect of direct securities investments made by the Funds. Under these circumstances, Gorelick Brothers Capital will vote proxies in the best interest of the Funds, typically with the goal of maximizing value for the Funds and the investors in the Funds. To that end, Gorelick Brothers Capital endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Funds' investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. Gorelick Brothers Capital's complete proxy voting policy and procedures has been memorialized and is available for investors to review.

ITEM 18. FINANCIAL INFORMATION

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, therefore, we are not required to include a financial statement with this brochure.

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