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This brochure provides information about the qualifications and business practices of Port Capital LLC. If you have any questions about the contents of this brochure, please contact us at 312.788.2400 or trothmeyer@portcapital.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.

Port Capital LLC is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. Additional information about Port Capital LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

The following are the material changes since the annual amendment brochure was filed on March 24, 2017.

- Item 12 – Under soft dollar considerations, Port Capital has amended this section to include additional detail regarding current soft dollar policies.
- Item 14 - Port Capital enters into agreements with third-party marketers who refer Clients to Port Capital. All Client referral agreements will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act.

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Item 4 Advisory Business

A. Business Commencement Date

Port Capital LLC ("Port Capital", the "Firm", "we", "our" or "us") was founded in March, 2015.

B. Ownership

Brien M. O'Brien and Bradley C. Schatz are the principal shareholders (i.e., shareholder controlling 25% or more of Port Capital).

C. Investment Services

Clients in Separately Managed Accounts

Port Capital provides continuous advice to Clients (defined below) in separately managed accounts ("SMAs") regarding the investment of Client funds based on the individual needs of the Client. We manage investments with discretionary authority on behalf of Clients. Account supervision is guided by the Client's stated objectives (e.g., capital appreciation, growth, income, etc.), as well as tax considerations.

Clients may impose guidelines or restrictions on investing in certain securities, types of securities, or industry sectors.

Once a Client portfolio is established, the account is reviewed at least quarterly and, if necessary, the portfolio is rebalanced based on the Client's individual needs.

Our investment recommendations are limited to specific products or services offered by broker/dealers and/or issuers, and will generally include consideration of the following types of securities:

- Exchange-listed securities (stocks, mutual funds, ETFs)
- Corporate Bonds
- Municipal Bonds
- U.S. Government-issued bonds
- Private Limited Partnerships

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

Private Funds

Port Capital LLC also serves as investment adviser to and general partner of certain private investment funds (individually a "Fund" and collectively, the "Funds;" as the context may require, Funds and SMAs may be referred to collectively as Port Capital LLC's "Clients"). The Funds are offering interests ("Interests") to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as "Investors").

The Funds are managed in accordance with the terms, objectives and strategies described in their respective offering memorandum, limited partnership agreement and subscription agreement (the "Offering Documents").

D. Wrap Fee Programs

Port Capital does not participate in any wrap fee programs.

E. Assets Under Management

As of December 31, 2017, Port Capital LLC has approximately \$1.01 billion of assets under management on a discretionary basis.

Item 5 Fees and Compensation

SMA's

Fees are calculated quarterly based on the total market value of assets under management, as determined as of the close of business of each calendar quarter, and billed in arrears. In the event of significant cash flows within an account during a quarter (10% or greater), fees will be adjusted accordingly. Following is the stated fee schedule:

Equity Portfolios

<i>Asset Level</i>	<i>Annual Fee</i>
First \$15,000,000	1.00%
Assets over \$15,000,000	0.80%

Fixed Income and Yield-Oriented Portfolios

<i>Asset Level</i>	<i>Annual Fee</i>
All Assets	0.50%

In certain circumstances, Port Capital may create customized fee schedules and also in certain circumstances, some Clients may negotiate different fees, billing formats and/or time frames. Exceptions to the general fee schedule may be made under certain circumstances depending upon the exact nature of the services to be performed or responsibilities assumed by Port Capital. For example, Port Capital may negotiate fees where a Client is seeking to invest a substantial amount.

Port Capital will bill its Clients based upon the Client's preferred billing method. However, in most cases, Port Capital will generate an invoice quarterly in arrears and submit the invoice to the Client or the Client's designated agent for payment. In some cases, Clients may elect to have Port Capital deduct management fees from their custodial accounts electronically. If that election is made, Port Capital will deliver an informational copy directly to the Client or their designated agent.

It should be noted that Port Capital's fees are exclusive of brokerage commissions, transactions fees and/or other related costs and expenses which may be incurred by the Client. Clients may also incur charges imposed by custodians, brokers and/or other third parties, such as: custodial fees, transfer taxes, wire transfer and electronic fund fees. With respect to mutual funds, exchange traded funds and other collective investment vehicles in Client accounts, Port Capital's fees are in addition to advisory fees which may be charged by such mutual funds and collective investment vehicles as per the fund's prospectus. Furthermore, it should be noted that Port Capital does not receive any portion of such charges, fees and/or commissions.

A Client agreement may be canceled at any time, by either party, for any reason upon thirty (30) days' written notice to the non-terminating party.

The Funds

With respect to the Funds, Port Capital receives an asset-based management fee calculated as a percentage of each Investor's capital account, payable monthly in arrears. The management fee is typically 0.0792% per month, approximately 0.95% annually. The management fee is debited from each Investor's capital account.

The Funds' organizational costs and expenses, together with offering costs and expenses incurred in connection with the initial offer and sale of Interests as of the initial closings were borne by Port Capital. Port Capital will not be reimbursed by the Funds for those costs.

The Funds are responsible for their direct operational costs and expenses, which are expected to consist primarily of: (i) management fees (discussed above); (ii) costs and expenses incurred by Port Capital in connection with investigating investment opportunities for the Funds and reviewing the continuing suitability of the Funds' investments in light of their investment objectives; (iii) costs and expenses incurred in connection with the investment and reinvestment of the Funds' assets, including brokerage commissions, dealer mark-ups, mark-downs and spreads, and related clearing and settlement charges; (iv) borrowing charges and other costs and expenses associated with short sales; (v) interest expense and loan commitment fees relating to the Funds' borrowings (including margin debt); (vi) administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; fees, costs and expenses of third-party service providers that provide such services; costs and expenses associated with preparing investor communications; and printing and mailing costs; (vii) governmental licensing, filing and exemption fees; and (viii) any extraordinary expenses.

Port Capital generally requires Fund Investors wishing to withdraw amounts from their capital accounts thirty (30) days written notice from the last business day of a month.

Item 6 Performance – Based Fees

Port Capital does not currently charge performance-based fees.

Item 7 Types of Clients

Port Capital provides advisory services to the following types of Clients:

SMA's:

- High net worth individuals
- Individuals other than high net worth individuals
- Pension and profit sharing plans
- Charitable organizations
- Corporations or other businesses not listed above

The Funds:

Port Capital intends to restrict the number of Investors in the Funds and will offer Interests only through non-public transactions in order to maintain their exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Prospective Investors in the Funds must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Fund's Offering Documents, which set forth all of the terms in detail. Each Investor generally must be an "accredited investor" (as defined in Regulation D under the Securities Act of 1933) and a "qualified client" (as defined in Rule 205-3, under the Investment Advisers Act of 1940, as amended (the "Advisers Act")). The minimum initial investment is \$500,000 subject to waiver at the discretion of Port Capital.

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

SMA's:

Port Capital portfolio managers will perform due diligence analysis on each of the holdings in the equity, fixed income, private investments and other financial instruments that may be used. A review will typically include the following:

1. Review of recent and historical financial statements and regulatory filings of the issuing company;
2. Relative valuation of the securities intended to be purchased versus their peer group or competitive group;
3. Identification of unique or special assets of the issuing company which may not be recognized or valued appropriately by the general market;
4. Ability of the issuing company to meet its obligations to debt holders;
5. Review of an issuing company's overall financial strength and dominance in its market place;
6. Review exposure of the issuing company to currency and global market disruptions; and
7. Quality of the issuing company's products and barriers to entry that may benefit the company from a competitive view point.

The portfolio manager, Brien O'Brien, will conduct this analysis using publicly available information as well as possible meetings with customers or suppliers of the portfolio companies, site visits or other types of due diligence to gain unique insights into a company's overall financial strength and potential for future growth. The opinions gained and developed during this process may be contrary to prevailing market wisdom at certain times.

Port Capital will typically operate in the domestic U.S. Markets. When non-U.S. securities are used in a Client's portfolio they will generally be owned through limited partnerships, exchange traded funds or mutual funds.

Where limited partnerships, exchange traded funds, or mutual funds are used, Port Capital will analyze each of the above factors where relevant and also may perform additional analysis on those funds' custodial arrangements, fee structures, the fund managers' ability to have historically executed on the strategy being employed and the likelihood of the strategy employed being successful in the future.

In certain incidences, Port Capital may use options or futures in a limited basis to control overall portfolio risk or to maintain or increase a portfolios' exposure to a certain market where it is felt that the options or derivatives markets provide a more efficient method of managing an intended risk exposure for a portfolio. The use of such securities will be limited, however, and will not comprise a majority of the Client's portfolio exposure.

Client portfolios generally will not employ leverage except in the case where Client cash flow needs necessitate the short term use of leverage. However, certain funds in which Client accounts are invested and companies in which those funds are invested, may utilize leverage as part of their normal business operations and Port Capital will analyze that risk and make judgements on that risk on a case by case basis.

Strategies that will be employed for Port Capital Clients include the following:

1. Large Cap Equities;
2. Small – Mid cap equities;
3. Master Limited Partnerships;
4. Balanced Portfolios using Exchange Traded Funds or Mutual Funds;
5. Fixed income management; and
6. Customized portfolio strategies developed to meet a unique or specific Client need.

The Funds:

Prospective Investors in the Funds should consult their respective Offering Documents for their specific objectives and strategy information. Generally, the funds seek capital appreciation over the long term. Certain Funds may invest in a concentrated number of businesses deemed exemplary by Port Capital.

Currently, four of the Funds invest in the common stock of publicly-traded companies. Two such Funds seek companies trading at a price that reflects a significant discount to Port Capital's fundamental appraisal of long-term intrinsic value. Another Fund seeks similar opportunities but invests primarily in small capitalization companies. The third Fund invests primarily in micro capitalization companies. The Funds' investment processes focus on three distinct, analytical assessments:

- First, these Funds will seek to invest in businesses and companies with distinct barriers to entry, strong competitive advantages, pricing power, and repeatable and consistent business operations.
- Second, these Funds intend to focus on companies whose managers exhibit exceptional integrity and who think, act, and behave as owners while treating shareholders as equals – and partners – in all interactions.
- Lastly, these Funds will seek to thoroughly analyze and assess the capital allocation decisions made by a company's managers, with a focus on finding managers who possess a proven track record for value creation through: (i) return on invested capital, (ii) growth in tangible book value, and (iii) free cash flow per share metrics.

Port Capital expects that companies consistent with these disciplines and investment processes will possess strong balance sheets, modest leverage and a focus on "owners' earnings." Port Capital assesses owners' earnings by analyses of all draws on the company's cash flow, including maintenance and growth capital expenditures, tax and pension liabilities, and management compensation to assess the business's true underlying and distributable free cash flow.

A fifth Fund seeks to identify companies who own, manage and control the acquisition, transportation and distribution of crude oil, natural gas and other petroleum based products. The Fund will seek out companies which have strong cash flow characteristics with an element of stability, excessive current income or significant opportunities to grow future cash flows which will

provide future benefits to the Investors. A substantial portion of the Fund's portfolio is expected to consist of investments in companies structured as master limited partnerships.

The Funds' investment activities have certain risks, which are summarized below. Prospective Investors should thoroughly review the relevant Funds' Offering Documents, particularly the risk factors, before making an investment.

General. All investments in securities and other financial instruments involve substantial risk of volatility (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond the control of Port Capital, such as: changing market sentiment; changes in industrial conditions, competition and technology; changes in inflation, exchange or interest rates; changing domestic or international economic or political conditions or events; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their central banks). Changes such as these, as well as innumerable other factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements. Unexpected volatility or illiquidity in the markets in which the Funds hold positions could impair their ability to achieve their objective and cause it to incur losses.

Although Port Capital believes that the Funds' investment program should mitigate the risk of loss through a careful selection and monitoring of investments, an investment in the Funds is nevertheless subject to loss, including possible loss of the entire amount invested. No guarantee or representation is made that the Funds will be successful, and the Funds' investment results may vary substantially over time.

The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

Energy and Infrastructure Risk. Certain of the Funds' investments are expected to generally focus on the energy and infrastructure industries. Negative developments in these industries will have a significant effect on that Fund's performance. A portfolio concentrated in a limited number of industries or market sectors may present greater risk than a portfolio that is diversified across many industries or market sectors. The investment portfolio of the Fund may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wider diversification among other industries, sectors, issuers, instruments, or countries.

Long Positions. The success of the long positions established for the Funds by Port Capital will depend in large part on its ability to accurately assess the fundamental value of those positions. An accurate assessment of fundamental value depends on a complex analysis of a number of financial and legal factors. No assurance can be given that Port Capital will be in a position to assess the nature and magnitude of all material factors having a bearing on the value of the Funds' long positions, or that Port Capital will accurately assess the impact of all factors of which it is aware.

Master Limited Partnership Risk. A master limited partnership is a limited partnership in which the ownership units are publicly traded. Master limited partnership units are registered with the SEC and are freely traded on a securities exchange or in

the over-the-counter market. Master limited partnerships often own several properties or businesses (or own interests) that are related to real estate development and oil and gas industries, but they also may finance motion pictures, research and development and other projects. Generally, a master limited partnership is operated under the supervision of one or more managing general partners. Limited partners (such as the Fund) are not involved in the day-to-day management of the master limited partnership.

State law governing partnerships is often less restrictive than state law governing corporations. Accordingly, there may be fewer protections afforded investors in a master limited partnership than investors in a corporation. Additional risks involved with investing in a master limited partnership are risks associated with the specific industry or industries in which the partnership invests, such as the risks of investing in real estate, or oil and gas industries. There are also certain tax risks associated with an investment in units of master limited partnerships. In addition, conflicts of interest may exist between common unit holders, subordinated unit holders and the general partner of a master limited partnership, including a conflict arising as a result of incentive distribution payments.

If the Fund invests in equity securities of a master limited partnership, it will be required to include in its taxable income the Fund's allocable share of the income, gains, losses, deductions and expenses recognized by the master limited partnership, regardless of whether the master limited partnership distributes cash to the Fund. The amount of cash distributed to an investor in a master limited partnership is generally not the same as the amount of income allocable to such investor.

Small- and Mid-Cap Securities. Securities of small-cap and mid-cap companies (generally those that have a total market capitalization between \$100 million and \$10 billion) commonly trade in lower volumes than those of larger companies. Investment in small-cap and mid-cap companies may involve more liquidity risk than investing in larger, more established companies. Small-cap and mid-cap companies may have limited product lines or markets, and may be less financially secure than larger, more established companies and may depend on a small number of key personnel to remain profitable. Additionally, securities of small-cap and mid-cap companies have historically displayed more volatility than the overall equity market. The Funds' investments in small-cap and mid-cap stocks may make it more volatile than would otherwise be the case.

Micro-Cap Securities. Securities of micro-cap companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than those of larger companies or the stock market as a whole. Investment in micro-cap companies involves more risk than investing in larger, more established companies. Because micro-cap companies normally have fewer shares outstanding and these shares trade with less liquidity than larger companies, it may be more difficult for the Fund to buy and sell such securities without an unfavorable impact on prevailing market prices. The inability of the Fund to dispose of investments readily or at reasonable prices could impair the Funds' ability to raise cash for withdrawals or other purposes. Micro-cap companies may have limited product lines or markets, and may be less financially secure than larger, more established companies and may depend

on a small number of key personnel to remain profitable. Additionally, securities of micro-cap companies have historically displayed more volatility than the overall equity market. The Funds' investments in micro-cap stocks may make it more volatile than would otherwise be the case.

Large-Cap Securities. Investments in large-capitalization companies are not risk free. The Funds' investments in large-capitalization companies may lose value. Additionally, the Funds' investment returns from large-capitalization stocks may trail returns from the overall stock market from time to time. Large-cap stocks may experience periods of outperformance or underperformance as compared to other segments of the stock market or the stock market in general. These periods may last for as long as several years.

Restricted Securities. Port Capital has discretion to purchase securities in private placements – i.e., offerings that are not registered under the Securities Act in reliance on the exemption from registration in Reg. D under the Securities Act. Securities purchased in private placements are generally described as “restricted,” because they cannot be resold unless they are subsequently registered or an exemption from registration is available, such as under SEC Rule 144. Such securities are often illiquid and are also difficult to value. Port Capital has complete discretion as to how to value the Funds' restricted securities, and may have an incentive to overvalue them to increase its income.

Use of Leverage. The Funds may use leverage in their investment and trading program, generally through borrowing to purchase financial instruments (e.g., traditional margin purchases) and purchasing inherently leveraged instruments such as forward contracts and swaps. On rare occasions, the Funds may use margin for short-term liquidity needs. The use of margin is not intended to be a part of the long-term strategy.

The level of interest rates generally, and the rates at which Port Capital can borrow for the Funds, in particular, are likely to have a substantial effect on the Funds' performance to the extent they borrow. If the interest expense on borrowings – which ordinarily will fluctuate from time to time depending on market conditions – were to exceed the net return on the portfolio securities purchased with the borrowed funds, the use of leverage would result in a lower rate of return than if leverage were not used.

Moreover, to the extent the Funds purchase securities with borrowed funds, their NAVs will tend to increase or decrease at a greater rate than if borrowed funds were not used, and a relatively small price movement in a position could result in immediate and substantial losses. In a given market setting, securities that the Funds sell short may rise in value while the value of the Funds' long positions may decline, resulting in a situation in which leverage compounds losses.

To the extent the Funds borrow, their borrowings typically will be secured by a pledge of securities and other assets to the brokers who have extended the credit. Under certain circumstances, a lender might demand an increase in the collateral that secures the Funds' obligations and, if the Funds were unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy those

obligations. For example, if assets pledged to a broker to secure the Funds' margin trading activities should decline in value, the Funds could be subject to a margin call, pursuant to which they must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a sudden precipitous drop in the value of its assets, the Funds might not be able to liquidate sufficient assets quickly enough to meet a margin call. A forced liquidation of assets under these circumstances could have extremely adverse consequences for the Funds.

The risks associated with particular types of leveraged instruments are described below. As a general matter, the prices of leveraged instruments can be highly volatile, and investments in leveraged instruments may, under certain circumstances, result in losses that exceed the amounts invested.

Trading in Non-U.S. Companies and Markets. The Funds may invest in non-U.S. companies and/or trade in non-U.S. markets.

Trading in the securities of a non-U.S. company may involve certain considerations not usually associated with trading in securities of U.S. companies, such as risks of expropriation and nationalization of the company's assets; confiscatory taxation of the company's income or the imposition of confiscatory withholding or other taxes on dividends, interest, capital gains or other income in respect of the company's securities; difficulties encountered by the company in enforcing its contracts; restrictions on repatriation of the company's funds or other assets; general social, political and economic uncertainty and instability; adverse diplomatic developments; the small size of some markets in foreign countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and governmental policies that may restrict or damage economic growth and investment opportunities. In addition, disclosure, accounting and reporting standards that prevail in foreign countries may not be equivalent to United States standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the United States.

Transactions executed in financial markets outside the United States generally are not subject to regulation or supervision by U.S. regulatory authorities, and, in many cases, financial markets outside the U.S. are subject to less regulation than U.S. financial markets. For example, some foreign exchanges, in contrast to domestic exchanges, are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a contract and not of an exchange or clearing corporation. In such a case, an investor is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts. Transactions in financial markets outside the United States may also involve greater transaction and custody costs and greater delays in the settlement of transactions.

"Uninvested" Capital. Port Capital may from time to time invest Fund assets in high quality short-term instruments such as U.S. Treasury securities and shares of "money market" mutual funds because suitable investments for the Funds are not then

available. It is not possible to determine or even estimate the degree to which the Funds' assets will be "uninvested" from time to time, but the percentage of Fund assets invested in short-term instruments may be high from time to time. Such periods of "uninvestment" are likely to have a negative impact on the Funds' rates of return.

Illiquid Investments. Despite the generally heavy volume of trading in most of the instruments traded by the Funds, the markets for some of those instruments may have limited liquidity and depth. This lack of depth could be a disadvantage to the Funds, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Hedging Techniques. From time to time in its sole discretion, Port Capital may employ various hedging techniques in an attempt to reduce certain potential risks to which the Funds' portfolio may be exposed. These hedging techniques may involve the use of derivative instruments.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of its advisory business or the integrity of its management. Port Capital and its management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Port Capital is not engaged in other financial industry activities and has no affiliations with other financial firms or persons.

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

Port Capital has adopted a Code of Ethics, which sets forth high ethical standards of business conduct that are required of its employees, including compliance with all applicable federal securities laws. All employees of Port Capital are required to acknowledge the terms of the Code of Ethics upon hire and annually thereafter.

A copy of Port Capital's Code of Ethics is available to any Client or prospective Client upon request by contacting Port Capital at 312.788.2400.

Contents of the Code of Ethics include:

- Standards of Conduct;
- Policies for insider trading;
- Policies for employees' personal securities transactions;
- Policies on gifts, entertainment & contributions;
- Confidentiality policies.

Port Capital, employees of Port Capital, their family members and/or individuals associated with Port Capital may buy or sell the same securities for their personal accounts which are identical to those recommended to Clients or that the Clients own. At no time will Port Capital put personal interests before those of its Clients', or intentionally disadvantage Clients when executing trades; and all Client orders will be filled before Port Capital's or its affiliates' orders.

Custodianship

Clients in SMAs must maintain their accounts at a qualified custodian, generally a broker/dealer or bank. Port Capital does not maintain custody of SMA Client accounts. Port Capital can assist in the process of establishing and opening accounts on behalf of SMA Clients.

The Funds' assets are custodied at broker/dealers selected by Port Capital in its sole discretion.

Transaction Broker/Dealers

It is the policy and practice of Port Capital to strive for the best price and execution that are competitive in relation to the value of the transaction. In selecting a broker/dealer, Port Capital will consider such factors that in good faith and judgement it deems reasonable under the circumstances. Factors Port Capital may consider include, without limitation, the following:

- Execution ability, including trading experience in markets/securities needed, quality of trading, and clearance and settlement efficiency and accuracy;
- Accuracy and timeliness of order execution, reports and confirmations;
- Costs, including commission rates, ticket charges, other service charges and the means to correct errors in an acceptable manner;
- Customer service, including responsiveness to Port Capital;
- Commitment to technology and security of confidential information;
- Adequacy of capital and financial responsibility; and
- Reputation and integrity.

Port Capital may select as a broker/dealer for Client transactions, broker/dealers that have affiliated entities which have referred or may refer Clients to Port Capital. In such cases, Port Capital may have an incentive to select or recommend a broker-dealer based on its interest in receiving referrals, rather than on the Clients' interest in receiving more favorable execution. Notwithstanding the foregoing, however, Port Capital will only choose such broker/dealers when the execution complies with the principles of best execution. Port Capital has no formal relationships or agreements with any broker/dealer or associated person which requires Port Capital to direct, or which compensates Port Capital for directing any specified level of brokerage/commissions to any broker/dealer.

Soft Dollar Considerations

Port Capital may effect transactions with broker-dealers who provide research services (collectively, "soft-dollar items") to Port Capital that assist Port Capital in making investment and trading decisions on behalf of its Clients. The negotiated commissions paid to broker-dealers supplying soft-dollar items may not represent the lowest obtainable commission rates. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and soft-dollar items provided by the broker-dealer, viewed in terms of either the particular transaction or Port Capital's overall responsibilities with respect to its Clients. Port Capital intends to comply with the soft-dollar "safe harbor" afforded by Section 28(e) under the Securities Exchange Act of 1934.

When Port Capital uses Client brokerage commissions to obtain soft-dollar items, it receives a benefit because it does not have to produce or pay for such soft-dollar items. However, Port Capital believes that such soft dollar items may provide the Clients with benefits by supplementing the research and services otherwise available to the Clients. In addition, the research and other

benefits resulting from a brokerage relationship benefit all Client accounts or Port Capital's operations as a whole, including any Client accounts that direct Port Capital to use a broker that does not provide soft dollar benefits.

Port Capital may have an incentive to select or recommend a broker-dealer based on its interest in receiving the soft-dollar items, rather than on the Client's interest in receiving most favorable execution. Port Capital periodically reviews the execution performance of its brokers to ensure that any potential conflicts of interests are resolved.

In "soft dollar" arrangements, the Client may be charged a brokerage commission in excess of that which another broker might charge for effecting the same transaction if Port Capital determines in good faith that such commission is reasonable in relation to the value of the brokerage, research, other services and soft dollar relationships provided by that broker, viewed in terms of either the specific transaction or Port Capital's overall responsibilities to the portfolios over which Port Capital exercises investment authority.

Soft-dollar items, whether provided directly or indirectly, may be utilized for the benefit of Port Capital's and its affiliates' other accounts. Soft-dollar items are not limited to those Clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. Port Capital may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms.

Within the last fiscal year, Port Capital used "soft-dollars" to receive broker-dealer research reports, company financial data and economic data.

A broker from which Port Capital obtains soft dollar services generally establishes "credits" based on past transactional business (including markups and markdowns on principal transactions), which may be used to pay for specified expenses. In some cases, the process is less formal and a broker simply may suggest a level of future business that would fully compensate the broker for services or products it provides. Port Capital monitors the soft dollar services provided to ensure that appropriate transactions are executed with a soft dollar provider.

To address the conflicts the conflicts surrounding soft dollar arrangements, Port Capital has adopted written policies and procedures regarding trading, brokerage selection and soft dollar usage. Port Capital reviews soft dollar arrangements, budget, and brokerage allocations for soft dollar research services and products on a periodic and at least an annual basis.

Client-Directed Brokerage

SMA Clients of Port Capital are required to give Port Capital discretion and authority to manage their assets (including the selection of executing brokers). As such, Client-directed brokerage is not allowed.

Item 13 Review of Accounts

Port Capital conducts ongoing reviews of its Clients' accounts. While the underlying securities within the accounts are monitored continually, the accounts are reviewed at least quarterly. Accounts are reviewed in the context of each Client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances or the market/political/economic environment.

Client accounts are reviewed by:

- Brien M. O'Brien, Chairman & CEO
- Tracy E. Rothmeyer, Executive Vice President
- Bradley C. Schatz, President
- Edward S. Loeb, Partner

In addition to the monthly statements and confirmations of transactions that Clients receive from their custodian, Port Capital will provide reports summarizing account balances and holdings on a quarterly basis.

Item 14 Client Referrals and Other Compensation

Port Capital enters into agreements with third-party marketers who refer Clients to Port Capital. All Client referral agreements will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act. If a Client is introduced to Port Capital by such a solicitor, the compensation is based upon Port Capital's engagement of new Clients and the retention of those Clients and is generally a percentage of the fees paid to Port Capital by such Clients. Any such fee is paid solely from Port Capital's investment management fee, and does not result in any additional charge to the Client. Each prospective Client who is referred to Port Capital under such an arrangement will receive a copy of Port Capital's firm Brochure and a separate written disclosure document disclosing the nature of the relationship between the third-party solicitor and Port Capital and the amount of compensation that will be paid by Port Capital to the third party. The solicitor is required to obtain the Client's signature acknowledging receipt of Port Capital's disclosure brochure and the solicitor's written disclosure statement.

Such referral arrangements may provide an incentive for the solicitor to offer Port Capital's services. Clients are encouraged to inquire about specific arrangements between a solicitor and Port Capital, and how such an arrangement may affect his/her interests in the services offered by Port Capital.

Item 15 Custody

As stated in Item 12, Port Capital does not provide custodial services to its SMA Clients. Client assets are held with a qualified custodian – a broker/dealer or bank. Clients should receive a statement of assets and transactions from their custodian at a regular interval (monthly or quarterly) which they should then compare to statements provided to them by Port Capital. Clients should contact us immediately if they believe there is an error in their statement. We urge our Clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

As to the Funds, a rule under the Advisers Act provides that, because Port Capital is the general partner of the Funds, it is considered to have "custody" of the Funds' assets, even though independent custodians (Prime Brokers) actually hold those assets. That rule generally requires investment advisers that have "custody" of client assets to cause certain account statements detailing holdings and transactions to be sent to Investors, and imposes certain other obligations. However, in the case of the Funds, Port Capital can satisfy the requirements of the custody rule by, among other things, providing Investors with audited financial statements by a specified time each year. Port Capital satisfies those conditions and therefore is not subject to reporting and other obligations.

Item 16 Investment Discretion

Port Capital is typically authorized to invest and trade the Clients' assets in a broad range of investments, to be selected at Port Capital's discretion, subject to the guidelines set forth in the Funds' governing documents and/or SMAs' investment guidelines. Further, Port Capital may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Funds' Governing Documents and SMAs' investment management, the Client designates Port Capital as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Client's business and affairs.

Item 17 Voting Client Securities

Port Capital votes proxies for all Client accounts; however, Clients always have the right to vote proxies. Clients can exercise this right by instructing us in writing to not vote proxies in their account(s).

Port Capital votes proxies in the best interests of our Clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written Client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the Client of the conflict and retain an independent third party to cast a vote. Clients may obtain a copy of our complete proxy voting policies and procedures by contacting us by telephone, email or in writing. Clients may request, in writing, information on how proxies for its shares were voted.

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

Item 18 Financial Information

Port Capital has no additional required financial information to report.

Under no circumstances does Port Capital require or solicit payment of fees in advance of services rendered. Therefore, we are not required to include a financial statement. Port Capital has not been the subject of a bankruptcy petition at any time during the past ten years.