

BROCHURE OF
CAPRICE CAPITAL PARTNERS, LLC

A Delaware Limited Liability Company registered with the U.S. Securities
and Exchange Commission as an Investment Adviser
CRD# 307048

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**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND
BUSINESS CAPRICE CAPITAL PARTNERS, LLC. IF YOU HAVE ANY QUESTIONS
ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (310) 893-5070.
THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED
BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE
SECURITIES AUTHORITY. REGISTRATION AS AN INVESTMENT ADVISER DOES NOT
IMPLY A LEVEL OF SKILL OR TRAINING.**

**ADDITIONAL INFORMATION ABOUT CAPRICE CAPITAL PARTNERS, LLC ALSO IS
AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.**

The delivery of this brochure (the “Brochure”) at any time does not imply that the information
contained herein is correct as of any time subsequent to the date shown above. This Brochure will
supersede all other documents containing information about Adviser.

Item 2. MATERIAL CHANGES

No material changes have occurred with respect to Caprice Capital Partners, LLC's (the "Adviser") advisory services, as this is the Adviser's initial Brochure.

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Item 4. ADVISORY BUSINESS

The Adviser is a limited liability company formed under the laws of the state of Delaware in February, 2019. The Adviser's sole direct owner is WCR Holdings LLC ("WCR"), a Delaware domiciled Limited Liability Company. WCR is owned by RT Caprice Holdings, LLC (50%) and PACA-WCR LLC (50%), each a Delaware Limited Liability Company. PACA-WCR LLC is wholly owned by Advantage Capital Holdings LLC (see below for additional information) and RT Caprice Holdings, LLC is wholly owned by Richard Thomson, Managing Partner of the Adviser. The Adviser's Chief Compliance Officer is Earl Kwak.

The Adviser provides investment advisory services as a sub-adviser to an affiliated SEC registered investment adviser, Advantage Capital Management LLC (CRD#: 171128) (the "Client"). The Adviser manages the assets of the Client on a non-discretionary.

The Adviser's investment advisory activities generally focus on providing debt solutions to small and lower-middle-market companies based in the U.S.

The Adviser tailors its investment advice to the Client, but may or may not choose to do so, in its sole discretion, with respect to future clients. As such, the Client may impose restrictions on the types of investments made on its behalf by the Adviser. The Adviser has limited trading authority with respect to the Account. In this regard, the Adviser: (i) will not have custody of the Client's assets, (ii) will not determine the final value of the Client's positions, and (iii) will not have the ability to move the Client's cash or securities. In addition, the Adviser is not responsible for performing trade settlement, and certain administrative and other back-office functions.

As of the date of this Brochure, the Adviser currently manages approximately \$0.00 of Client assets on a non-discretionary basis and \$0.00 Client assets on a discretionary basis.

Item 5. FEES AND COMPENSATION

The Adviser currently receives a management fee from the Client, as agreed upon in the Client's investment management agreement ("IMA") that is agreed upon between the Adviser and the Client and which describes the terms by which the relationship between the Adviser and the Client will be governed. The management fee is generally payable quarterly in advance and is based upon the Client's gross asset amount as of the first day of the month.

In addition to the management fee, the Adviser is entitled to performance-based compensation with respect to the Client. Clients and investors meeting the definition of "Qualified Client" may be charged a performance compensation. A Qualified Client is defined in SEC Rule 205-3 under The Investment Advisers Act of 1940 (the "Advisers Act"), as follows: "*A natural person who, or a company that... has at least \$1,000,000 under the management of the investment adviser*" or "*A natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either: a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,100,000...*"¹. The amount of the performance compensation is negotiated and agreed upon between the Adviser and the Client in the relevant IMA.

¹ For purposes of calculating a natural person's net worth: (1) The person's primary residence must not be included as an asset; (2) Indebtedness secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time the investment advisory contract is entered into may not be included as a liability (except that if the amount of such indebtedness outstanding at the time of calculation exceeds the amount outstanding 60

Neither the Adviser nor any of its supervised persons does or will accept compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products. The Adviser will also collect certain administrative fees from issuers relating to the loan process.

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

The Adviser will receive a performance-based compensation if the Account generates net capital appreciation for the Client. The fact that the performance compensation is paid only in respect of net capital appreciation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case if the Adviser were compensated solely based on a management fee based upon a percentage of assets under management. The Adviser in the future may receive performance compensation calculated on a basis that includes unrealized appreciation as well as realized gains.

The Adviser currently does not, but may in the future, advise other accounts that may be subject to different fees from the Client, including accounts which would not pay performance-based fees. In such event, the Adviser will have an incentive to favor such accounts which pay performance-based fees over client accounts which do not pay performance-based fees. The Adviser's policies and procedures are designed to mitigate such conflicts.

Item 7. TYPES OF CLIENTS

The Adviser provides investment advisory services to the Client, which is a related investment adviser. Investment advice is provided directly to the Client and not individually to any investors. Investors of the Client generally include affiliated insurance companies, but may also include, but are not limited to, high net worth individuals, family offices, fund of hedge funds, endowments, foundations, trusts, charitable organizations, pension plans, sovereign wealth funds and corporate or business entities.

The Adviser does not currently require that a client account be funded with a minimum funding requirement.

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

The Adviser's investment activities are conducted by means of pursuing advisory activities that generally focus on providing debt solutions to small and lower-middle-market companies based in the U.S.

Risk Factors

Cybersecurity Risks. The Adviser's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented

days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess must be included as a liability); and (3) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the residence must be included as a liability.

various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Adviser may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Adviser's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of the Adviser's information, technology or security systems could have an adverse impact on its ability to manage Client accounts.

Investments in Non-U.S. Investments. From time to time, the client may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the client may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the client's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the client's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the client's foreign currency holdings. If the client enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the client enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Risks Associated with Non-Diversification. The Adviser may sometimes concentrate holdings in industries, geographic regions or companies which the Adviser determines will provide the best opportunity for attractive risk-adjusted returns. The concentration of assets in a small number of issuers, in any one industry or a small number of industries, or in a single industry would subject clients to a greater degree of risk with respect to the failure of one or a few investments or with respect to economic variations in relation to such industry or industries.

Risks Associated with Investing in Options and Derivatives. The Adviser may invest, from time to time, in options and derivative instruments, including buying and writing puts and calls on some of the securities held by client accounts in an attempt to supplement income derived from those securities. The prices of many

derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.

If a put or call option purchased on behalf of a client account by the Adviser were permitted to expire without being sold or exercised, the client account would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the Adviser on behalf of the client account at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the Adviser on behalf of the client account at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the client account of all or a substantial portion of its assets.

Short Selling. When deemed appropriate by the Adviser, it will sell securities short on behalf of client accounts. Short selling involves the sale of a security that the client account does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the client account must borrow securities from a third party lender. The client account subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. The client account must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains his right to receive interest and dividends accruing to the securities.

Risks Associated with Leverage. Generally, the Adviser does use leverage. In the event that the Adviser determines that leverage is appropriate in its investment program, the Adviser may use borrowed funds and/or investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Adviser purchases securities for a client account with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of an account. If the interest expense on borrowings were to exceed the net return on the investments made with borrowed funds, the Adviser's use of leverage would result in a lower rate of return than if an account was not leveraged.

If the amount of borrowings outstanding for a client account at any one time is large in relation to such Account's capital, fluctuations in the market value of the account will have disproportionately large effects in relation to the account's capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the net asset value of a client account to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies borrowed fails to cover their cost to a client account, the net asset value of the account will generally decline faster than would otherwise be the case.

Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Clients should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, and other derivatives are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, in interest rates and in the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for a client account to hedge against a fluctuation at a price sufficient to protect such client's assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile instruments or assets may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices.

The Adviser is not obligated to establish hedges for account positions. To the extent that hedging transactions are effected, their success is dependent on Adviser's ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

Market or Interest Rate Risk. The Adviser may invest client accounts, from time to time, in fixed income securities and instruments. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If a client account holds a fixed income security to maturity, the change in its price before maturity may have little impact

on such account's performance. However, if the account has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to such account.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if a client account purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation linked bonds, adjustable bonds or floating rate bonds, a client account may be exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

Risk of Default or Bankruptcy of Third Parties. The Adviser, on behalf of client accounts, may engage in transactions in securities, commodities, financial instruments and other assets that involve counterparties. Under certain conditions, the client account could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, instruments and/or assets were to become illiquid. In addition, clients could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Adviser does business, or to which securities, instruments and/or assets have been entrusted for custodial purposes.

Credit Risk. The failure of a lessee to make lease payments or risk that the issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the value of the investment to decline. Counterparties with debt securities rated below investment-grade (or unrated) are especially susceptible to this risk. The Adviser looks to source investments that can provide various credit and structural enhancements to attempt to mitigate credit exposure to any single company or asset class.

Sector Risk. The value of investments focused in a particular industry or market sector will be highly sensitive to financial, economic, political and other developments affecting that industry or market sector, and conditions that negatively impact that industry or market sector will have a greater impact as compared to an account that does not have its holdings similarly concentrated.

Interest Rate Risk. The value of fixed income securities usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing instruments, and rising interest rates generally decrease the value of existing instruments. Changes in value usually will not affect the amount of interest income, but will affect the value of the investment. Interest rate risk is generally greater for investments with longer maturities. Certain fixed income securities pay interest at variable or floating rates. Variable rate securities reset at specified intervals, while floating rate securities reset whenever there is a change in a specified index rate. The market prices of these securities may fluctuate significantly when interest rates change.

Structural Risk. The impairment of the value of collateral or other assets underlying an asset-backed security, such as that resulting from non-payment of loans, may result in a reduction in the value of such security and losses. Early payoffs in the loans underlying such securities may result in receiving less income than originally anticipated.

Residual Value. The Adviser cannot assure that its value assumptions will be accurate or that the equipment or other assets will not lose value more rapidly than anticipated. Residual values depend on numerous factor that are beyond Registrant's control, including: the desire of the lessee or end-user to keep the equipment; cost

of comparable equipment; condition of the equipment; development of new technologies making the equipment obsolete; and secondary market supply and demand.

Investment Grade Debt Risks. Although generally more creditworthy and less risky than non-investment grade securities, investment grade securities are still subject to market and credit risk. Market risk relates to changes in a security's value as a result of interest rate changes generally. Investment grade securities have varying levels of sensitivity to changes in interest rates and varying degrees of credit quality. In general, bond prices rise when interest rates fall, and fall when interest rates rise. Longer-term bonds and zero coupon bonds are generally more sensitive to interest rate changes. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of investment grade securities like those of other debt securities may be affected by changes in the credit rating or financial condition of an issuer. Investment grade securities are generally considered medium and high-quality securities. Some, however, may possess speculative characteristics, and may be more sensitive to economic changes and to changes in the financial condition of issuers. The market prices of investment grade securities in the lowest investment grade categories may fluctuate more than higher-quality securities and may decline significantly in periods of general or regional economic difficulty. Like non-investment grade securities, such investment grade securities in the lowest investment grade categories may be thinly traded, making them difficult to sell promptly at an acceptable price.

High Yield Debt Risks. The Adviser may invest, on behalf of its Clients, in securities rated below investment grade, such as those rated Ba or lower by Moody's and BB or lower by S&P or securities comparably rated by other rating agencies or in unrated securities determined by Registrant to be of comparable quality. Registrant may purchase securities rated as low as D or unrated securities deemed by the Adviser to be of comparable quality. Lower grade securities, though high yielding, are characterized by high risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated securities. The secondary market for lower grade securities may be less liquid than that of higher rated securities. Adverse conditions could make it difficult at times to sell certain securities or could result in lower prices. The prices of debt securities generally are inversely related to interest rate changes; however, the price volatility caused by fluctuating interest rates of securities also is inversely related to the coupon of such securities. Accordingly, lower grade securities may be relatively less sensitive to interest rate changes than higher quality securities of comparable maturity, because of their higher coupon. This higher coupon is what the investor receives in return for bearing greater credit risk. The higher credit risk associated with lower grade securities potentially can have a greater effect on the value of such securities than may be the case with higher quality issues of comparable maturity. Lower grade securities may be particularly susceptible to economic downturns.

Item 9. DISCIPLINARY INFORMATION

Neither the Adviser nor its partners, officers or employees have been involved in any legal or regulatory action, or other disclosable disciplinary event.

Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- (A) Neither the Adviser nor its management persons has existing or pending affiliations with a broker dealer or registered representative of a broker-dealer.

- (B) Neither the Adviser nor its management persons has existing or pending financial industry affiliations, such as with a broker-dealer, Futures Commission Merchant (FCM), Commodity Pool Operator (“CPO”) or Commodity Trading Advisor (“CTA”):
- (C) The Adviser and/or its management persons have a relationship or arrangement that is material to its advisory business or to its clients with the related persons as discussed below.
1. Broker-dealer, municipal securities dealer, or government securities dealer or broker.
Not Applicable
 2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).
Not Applicable.
 3. Other investment adviser or financial planner.
Not Applicable.
 4. Futures commission merchant, commodity pool operator, or commodity trading advisor.
Not Applicable.
 5. Banking or thrift institution.
Not Applicable.
 6. Accountant or accounting firm.
Not Applicable.
 7. Lawyer or law firm.
Not Applicable.
 8. Insurance company or agency.
Not Applicable.
 9. Pension consultant.
Not Applicable.
 10. Real estate broker or dealer
Not Applicable.
 11. Sponsor or syndicator of limited partnerships.
Not Applicable.
- (D) Does the Adviser recommend or select other investment advisers for your clients and receive compensation from those advisers that creates a conflict of interest? Does the Adviser have other business relationships with such advisers that create a conflict of interest? If so, describe all conflicts of interest and how the Adviser will address them.
Not applicable at this time, as the Client is the sole client of the Adviser.

Item 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING POLICIES

In recognition of the Adviser’s fiduciary obligations to its clients and the Adviser’s desire to maintain its high ethical standards, the Adviser has adopted a Code of Ethics (“Code of Ethics”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the “Advisers Act”) which sets forth, among other things, policies and procedures governing employees’ personal securities transactions, the giving and receipt of gifts and entertainment (including to government, union and pension representatives), political contributions, outside activities, and the treatment of confidential information (including material non-public information). The Code

of Ethics establishes a standard of conduct expected of all the Adviser employees and is designed to foster compliance with applicable law and regulatory requirements, and to promote a culture of high ethical standards. A copy of the Adviser's Code of Ethics may be obtained by contacting Earl Kwak at 310-893-5070 or ekwak@capricecapital.com.

Personal Trading

Adviser employees may, on a limited basis, purchase or sell for themselves securities that clients also hold or may acquire. In addition, clients may, on a limited basis, purchase and sell securities of an issuer in which employees of the Adviser also have a position or interest. The Adviser's employees are required to seek pre-approval for all personal investments other than investments in certain non-reportable securities in order to prevent the existence of, or appearance of any potential or actual conflicts of interest in this respect. The Code of Ethics requires employees to report personal transactions on a periodic basis, submit initial and annual personal account holdings reports, and certify their compliance with the Code of Ethics on an annual basis. The Adviser monitors adherence to this policy by periodically reviewing employee account statements.

Gifts and Entertainment

The Code of Ethics prohibits the Adviser employees from giving a gift to, receiving a gift from, or giving or accepting entertainment to or from certain third parties if such gift or entertainment is of an excessive value or if deemed likely to compromise the independence of its recipient or his/her judgment and is likely to cast doubts over his/her integrity or to seem disproportionate to the business relationship. Certain limits, reporting requirements and prohibitions have been established with respect to giving and the receipt of gifts above certain thresholds.

Political Contributions

The Adviser places restrictions on political contributions by the firm and its employees. Political contributions are permitted only in compliance with SEC Rule 206(4)-5 under the Advisers Act (relating to pay-to-play activities) and corresponding local laws and regulations. Adviser employees are required to pre-clear all political contributions.

Outside Activities

Adviser employees may engage in worthy activities for their community or personal development. Such activities, however, should not impair the working efficiency or responsibilities of the individual. Adviser employees may from time to time be asked to serve as a director, adviser, consultant, or employee or engage in other forms of participation in other companies or organizations. Because such commitments may involve substantial responsibilities, or they may present actual or apparent conflicts of interest, Adviser employees are required to obtain written approval prior to accepting such positions.

Insider Trading/Material Non-Public Information

The Adviser maintains an Insider Trading Policy that includes policies and procedures that are designed to detect and prevent the misuse of material, non-public information by the Adviser and its officers, directors and employees. In accordance with these policies, to prevent trading of public securities based on material, non-public information, the Adviser maintains and updates as needed a "restricted" securities list of companies about which the Adviser employees have material, non-public information. The Adviser has a separate privacy

policy designed to protect the security, confidentiality, and integrity of private information of the Adviser and its clients.

Interests in Client Transactions

The Adviser and/or affiliates of the Adviser may own the same or similar securities to those of its clients. Subject to internal compliance policies and approval procedures designed to address any conflicts of interest that may arise, the Adviser may engage, from time to time, in personal trading of securities and other financial instruments, including securities and financial instruments in which a client may invest. Please refer to the Adviser's Code of Ethics for a full description of the policies and procedures the Adviser has implemented in order to address these and other potential conflicts of interest.

The Adviser will provide a copy of the Code of Ethics to any current or prospective client upon request.

Item 12. BROKERAGE PRACTICES

(A) Selection of Broker-Dealers

The Client has retained the power to designate the executing brokers for all such transactions. The Adviser has no obligation or right to solicit competitive bids or seek the lowest available commissions or other transaction costs.

The Client is a sophisticated and experienced institutional investor and has the right to designate their respective executing brokers, realizing that by so doing they may forego the opportunity for the Adviser to realize more favorable execution of transactions through other brokers on their behalf.

(B) Research and Other Soft Dollar Benefits

The Adviser will not directly enter into any soft dollar agreements with any of the executing brokers under the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934. The Adviser does not separately compensate any broker for any services provided in connection with transactions executed for the Account. The Adviser benefits from soft dollar credits for research and non-research related services generated by trading activity of the Client pursuant to soft dollar agreements between the Client and executing brokers.

Item 13. REVIEW OF ACCOUNTS

The Adviser and the Client will review the Client's account on a periodic basis to assure conformity with the investment objectives and guidelines.

The Client has full transparency, including with respect to the Adviser's trading activity. The Client reviews the Adviser's trading activity on a regular basis and discusses such activity with the Adviser as needed. As such, the Adviser does not provide regular reports to the Client.

Item 14. CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser does not currently receive any monetary compensation or any other economic benefit from a non-client for the Adviser's provision of investment advisory services to a client. In addition, the Adviser does not currently utilize any third party marketers or solicitors.

Item 15. CUSTODY

The Adviser does not have custody of the assets in the Client's account.

Item 16. INVESTMENT DISCRETION

The Adviser currently manages the Client's account on a non-discretionary basis. However, the Adviser may, in the future, manage assets on a discretionary basis. Non-discretionary authority restricts the Adviser from selecting the securities to be purchased or sold, including the amount, time, and price at which securities are to be purchased and sold, without first receiving authorization from the Client. The terms under which the Adviser must operate with respect to the Client is agreed upon and memorialized in the IMA.

Item 17. VOTING CLIENT SECURITIES

The Adviser is not responsible for voting Client proxies, unless otherwise agreed upon and memorialized in its IMA with the Adviser.

Item 18. FINANCIAL INFORMATION

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per client six or more months in advance. The Adviser has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to its clients. Additionally, the Adviser has not been the subject of a bankruptcy petition during the past ten years.

For questions or requests for additional information, please contact Earl Kwak at 310-893-5070 or ekwak@capricecapital.com.

Item 19. REQUIREMENTS FOR SATE-REGISTERED ADVISERS.

Not Applicable.

APPENDIX A

Privacy Policy

The Adviser has adopted a privacy policy that explains the manner in which the Adviser collects, utilizes and maintains nonpublic personal information about clients, hereinafter referred to as (“Clients”), as required under federal legislation.

Collection of Information and Disclosure of Nonpublic Personal Information:

To provide Clients with effective service, the Adviser may collect several types of nonpublic personal information about Clients, including:

- Information from forms that Clients may fill out, such as subscription forms, questionnaires and other information provided by Clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number and financial and investment qualifications;
- Information Clients may give orally;
- Information about transactions within the Adviser, including account balances, investments and withdrawals;
- Information about the amount Clients have invested, such as initial investment and any additions to and withdrawals from an investment in the Clients; and
- Information about any bank accounts Clients may use for transfers to or from separately managed accounts (if applicable).
- Disclosure of Nonpublic Personal Information:

The Adviser does not sell or rent Client information. The Adviser uses this information to conduct business with its Clients: to develop or enhance its products and services; to understand the financial needs of its Clients so that the Adviser can provide such Clients with quality products and superior service; and to protect and administer its Clients’ records, accounts and funds. The Adviser does not disclose nonpublic personal information about its Clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, the Adviser may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Adviser; this may include attorneys, accountants, auditors and other professionals. The Adviser may also share information in connection with the servicing or processing of Client transactions;

- To affiliated companies in order to provide Clients with ongoing personal advice and assistance with respect to the products and services Clients have purchased through the Adviser and to introduce Clients to other products and services that may be of value to such Clients;
- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of a Client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Client.

Protection of Client Information:

The Adviser's policy is to require that all employees, financial professionals and companies providing services on its behalf keep Client information confidential.

The Adviser maintains safeguards that comply with federal standards to protect Client information. The Adviser restricts access to the personal and account information of Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Adviser shares Client information must agree to follow appropriate standards of security and confidentiality.

The Adviser's privacy policy applies to both current and former Clients. The Adviser may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

Changes to Privacy Policy:

The Adviser may make changes to its privacy policy in the future. The Adviser will not make any change affecting any Client without first sending to that Client a revised privacy policy describing the change.