

JB Investments Management, LLC
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Part 2A of Form ADV
Disclosure Brochure

April 2020

This brochure provides information about the qualifications and business practices of JB Investments Management, LLC ("JBI" or the "Adviser"). If you have any questions about the contents of this brochure, please contact us at 484-928-1645. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

Additional information about JB Investments Management, LLC is also available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

JBK is filing this initial Form ADV Part 2A under Rule 203A-2(c) in anticipation of being eligible to register with the SEC within 120 days.

In the future, this Item 2 will only discuss specific material changes that have been made since the last filing and will provide a summary of those changes, which will be reflected below.

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Item 4. Advisory Business

JB I is a Delaware limited liability company formed in 2005 by Brian Riley, the sole owner, located in Phoenixville, Pennsylvania. JB I provides discretionary investment advisory services and serves as investment manager to pooled investment vehicles.

The Funds consist of JB Investments Fund III, LP (the “Partnership”), a Delaware limited partnership, and JB Investments Offshore Fund III, Ltd (the “Offshore Fund”), an offshore investment company (each a “Fund” or collectively, the “Funds”). JB Investments Fund III GP, LLC (the “General Partner” or “Investment Manager”), which is a related entity of JB I, serves as the general partner to the Funds. The Funds are not registered under the Securities Act of 1933 or the Investment Company Act of 1940. Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore transactions. More information about the Funds is available in the Funds’ Confidential Private Placement Memoranda (“PPM”).

Investments in the Funds will not be tailored to the individual needs of its beneficial owners directly nor will any beneficial owner of a Fund be able to impose restrictions on the types of investments held by such Fund. However, to the extent the Funds directly impose restrictions on certain types of investments, such restrictions will be detailed in the applicable Fund’s offering and related documents.

We do not participate in wrap fee programs.

As of the date of this brochure, JB I does not have any assets under management.

Item 5. Fees and Compensation

Compensation received by JB I is comprised of fees based on a percentage of assets under management and performance-based amounts. The Partnership is considered the “Master Fund” and the Offshore Fund is considered the “Feeder Fund” or “Feeder”, as the Offshore Fund is a limited partner in the Master Fund. Management fees, or fees based on a percentage of assets, are paid from both Funds to the Adviser. Incentive fees, or performance-based allocations, are paid from the Master Fund to the General Partner.

JB I’s investment advisory fees from the Funds (Funds, Fund, investors, limited partners (in the Partnership) and Shareholders (in the Offshore Fund), can also be known individually and collectively as “Clients”) are generally charged and collected in accordance with the Funds’ offering documents. The Funds are offering two series of a single class of interests: Founder Series A interests (“Founder Series A Interests”) and Series B interests (“Series B Interests”). The first \$150,000,000 of Funds’ interests purchased (other than by the General Partner and its affiliates) shall be Founder Series A Interests at the discretion of the General Partner, and each of the persons purchasing such interests shall be deemed a “Founder Partner.” A summary of asset-based fees as is follows:

Monthly management fee (“Management Fee”) equal to one-twelfth of the product of the applicable Management Fee Rate and the NAV as of the end of the applicable month. The Management Fee Rate is 0.50% for Founder Series A Interests and 1% for Series B Interests. The Funds shall pay market-standard organizational, offering, legal, regulatory, industry consulting and operating expenses. The Funds shall not pay any placement agent fees or expenses.

Fees and terms are generally not negotiable except in limited circumstances at JBI’s sole discretion. JBI and/or the General Partner, in its discretion reserves the right to reduce or waive fees and/or certain terms, including but not limited to, waiving Lock-Up Periods, waiving performance-based fees, reducing or waiving asset-based fees. JBI and/or the General Partner may agree to charge higher or lower fees, different fee structures, or different expense payment arrangements depending on a number of factors, including but not limited to, whether investor accounts are employee or affiliate-related, the amount of capital committed, and the length of an investor relationship.

Neither JBI nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6. Performance Based Fees

The General Partner will be entitled to receive a progressive incentive allocation (“Incentive Allocation”) that shall be paid to the General Partner only upon the distribution of cash and other proceeds (“Distributable Cash”) from the Funds to each limited partners (“Partner”), either through a Partner’s partial or complete withdrawal from the Funds and/or liquidation of the Funds.

The Incentive Allocation is subject to a preferred return of 8% per annum, compounded annually. The Funds will follow a European-style distribution waterfall in that Distributable Cash shall generally be distributed in the following order of priority:

(a) *Return of All Contributed Capital*: First, 100% to each Partner until the cumulative Distributable Cash to such Partner equal the aggregate Capital Contributions of such Partner to the Funds;

(b) *Preferred Return*: Second, 100% to such Partner until the cumulative Distributable Cash distributions to such Partner are sufficient to provide such Partner with an internal rate of return equal to 8% per annum, compounded annually, on the Capital Contributions of such Partner;

(c) *Catch-Up*: Third, 80% to the General Partner and 20% to the Partners until the General Partner has received the Incentive Allocation Percentage (defined below) of the sum of the distributions made to such Partner pursuant to paragraph (b) and to the General Partner pursuant to this paragraph (c); and

(d) *Split According to Incentive Allocation Percentage*: Thereafter, split between the General Partner and the Partner, with the General Partner receiving the percentage of additional distributions described below (“Incentive Allocation Percentage”) and the Partner receiving the

remainder. The Incentive Allocation Percentage shall be based on the multiple obtained by dividing the Partner's (i) aggregate Distributable Cash received minus Capital Contributions, by (ii) Capital Contributions ("Profit Multiple"). The General Partner's Incentive Allocation Percentage shall be as follows:

Founder Series A Interests

<i>Profit Multiple</i>	<i>Incentive Allocation Percentage</i>
Up to 1.5x:	10%
1.5 to 3x:	20% (on the incremental amount)
3 to 8x:	30% (on the incremental amount)
Greater than 8x:	50% (on the incremental amount)

Series B Interests

<i>Profit Multiple</i>	<i>Incentive Allocation Percentage</i>
Up to 1.5x:	12.5%
1.5 to 3x:	25% (on the incremental amount)
3 to 8x:	35% (on the incremental amount)
Greater than 8x:	50% (on the incremental amount)

Example: Assume a Founder Partner makes a Capital Contribution of \$10,000,000 and, due to the positive performance of the Funds, two years after the Initial Draw the value of the capital account is \$30,000,000 (after payment of the Management Fee and other expenses). If the Partner fully redeems, the Profit Multiple ((aggregate Distributable Cash –Capital Contributions)/Capital Contributions) would be 2x; therefore, the Incentive Allocation Percentage would be (i) 10% for the value of the capital account greater than \$10,000,000 and less than or equal to \$25,000,000 and (ii) 20% for the value of the capital account greater than \$25,000,000. Distributable Cash would be distributed: (i) *first*, to the Partner as a return of its Commitment (i.e. \$10,000,000), (ii) *second*, to the Partner as a Preferred Return until receipt of an amount equal to 8% of the \$10,000,000 Contribution, compounded over two years (i.e. \$1,664,000), (iii) *third*, 80% to the General Partner and 20% to the Partner until the General Partner received its Incentive Allocation Percentage of the amount distributed to the Partner as a Preferred Return *plus* the catch-up amount being distributed to the General Partner; and (iv) *fourth*, split as described above according to the Incentive Allocation Percentage.

Item 7. Types of Clients

JB I provides investment advisory services solely to the Funds. Investment advice is provided directly to the Funds, subject to JB I's direction and control, and not individually to the investors in the Funds.

JB I's investor base is diversified and comprised of institutional investors and high net worth individuals.

As noted in the Advisory Business section above, JB I provides discretionary investment advisory services to the Funds. Although JB I has the authority to accept subscriptions for any lesser amount,

the minimum investment in a Fund is generally \$5,000,000, however such a waiver with regard to the Offshore Fund is limited by Cayman Law to \$100,000. Investors must be “accredited investors” within the meaning of Regulation D under the Securities Act of 1933.

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

Strategy Overview

The Adviser seeks to capture the opportunities created from investing in industries undergoing “*Structural Change*.” *Structural Change* occurs when structural issues particular to an industry create the conditions for a financially unsustainable situation, resulting in financial extremes for the entire industry. *Structural Change* is often accompanied by more than one major company within an industry filing for bankruptcy. As a consequence of the financial distress caused by *Structural Change*, the Adviser believes industry-wide valuations are often greatly depressed; stock prices may trade at historic lows and debt prices may trade at significant discounts to par. The Adviser believes that investment opportunities often exist in the process of *Structural Change*. It is the Adviser’s view that over time and as long as market forces are allowed to work, an unsustainable financial situation should eventually revert to a state of relative equilibrium and valuations for the surviving companies should recover.

Drivers of *Structural Change* include a combination of the emergence of aggressive, new competitors with a different approach to doing business, excess capacity, regulatory pressures, product substitution, low cost, foreign competition and adverse macroeconomic conditions. Adverse macroeconomic conditions may include currency fluctuations, changes to interest rates, fluctuations in energy prices and a general slowdown in economic demand.

The Adviser feels these drivers set the conditions for the first stage of *Structural Change*, the “Value Destruction Stage,” which can last for three or more years. Financial distress generally compels an industry undergoing *Structural Change* to restructure by reducing costs, rationalizing production, shedding excess distressed capacity, exiting unprofitable businesses, reducing financial obligations and consolidating with stronger, healthier competitors.

The Adviser believes the second stage of *Structural Change*, the “Value Creation Stage,” occurs, if at all, as a consequence of sufficiently addressing the structural issues impeding an industry’s return to profitability. Over time, if the industry recovers, market valuations should reflect the return to profitability.

Generally, the entire process of *Structural Change* takes years to complete, potentially results in a healthy, profitable industry and may present opportunities to generate significant investment returns.

Investment Characteristics

The Adviser invests primarily in industries that the Adviser believes produce goods or services that need to exist as part of the economy. These industries share several characteristics. They are mature, not susceptible to major technological innovations, have high barriers to entry, low margins, high fixed costs and near-commodity products and services. The Adviser’s view is that a

company's cost structure, revenue mix, product quality, balance sheet, liquidity, management and cash flows are critical determinants of success and failure.

In the Adviser's experience, *Structural Change* generally occurs in a variety of economic environments, not just recessions, but occurs only in a limited number of industries at any given point in time. As a consequence, the Adviser expects to invest in a relatively small number of companies within one industry. The Adviser may invest in equities, bonds or bank debt and may invest in various tranches of the same company's capital structure. Because the process of *Structural Change* generally takes years to unfold, the Adviser expects to hold its positions for approximately two years. Unless fundamentals change or better opportunities present themselves, the Adviser is likely to do very little trading and the portfolio is likely to have a low portfolio turnover. Given the high concentrations and associated volatility, the Adviser expects to employ leverage only in moderation.

Investment Strategy

When investing in *Structural Change*, the Adviser believes that the single most important investment decision is determining whether or not an industry needs to exist as part of the economy. Does the industry produce a good or service that cannot be sufficiently substituted or is unlikely to be replaced by technological innovation? If an industry needs to exist, the investment analysis can focus on which companies within the industry survive, and ultimately benefit from, the process of *Structural Change*.

Structural Change occurs when structural issues particular to an industry create the conditions for a financially unsustainable situation, resulting in financial extremus for the entire industry. *Structural Change* is often accompanied by more than one major company within an industry filing for bankruptcy. Some companies within an industry subject to *Structural Change* will emerge as stand-alone entities upon an industry-wide recovery. Some companies will liquidate or be acquired by stronger competitors. Generally, the survivors will be restructured, well capitalized and profitable.

In the Adviser's view, *Structural Change* occurs in two stages. During the Value Destruction Stage, an industry generally incurs substantial net income and cash losses for many years as the industry tries to address its' structural issues. In their attempts to avoid bankruptcy or liquidation, most companies within an industry implement significant cost reductions. Though the companies may succeed in dramatically reducing costs, most will generally not improve their competitive position relative to their peers as other companies within the industry are also reducing costs. As cumulative cash losses mount, company balance sheets are stretched, liquidity falls and outside sources of capital become inaccessible, industry asset valuations decline significantly. A significant number of large companies within the industry become insolvent and may attempt to restructure their financial obligations and reorganize. Often, industry consultants and analysts openly question an industry's ability to survive the *Structural Change* process. In the Adviser's experience, near the end of the Value Destruction Stage, the "Inflection Point" occurs. Generally, this is the point at which distressed excess capacity begins to exit the system. The exit of the distressed excess capacity is generally involuntary in nature. A company's financial institutions cease to fund a company's cash losses and demand repayment of their debts through the sale of company assets. Distressed excess capacity adversely affects an industry's pricing environment as

these industry players often price their product below cash cost, forcing healthier companies within the industry to match their pricing.

During the Value Creation Stage, distressed excess capacity generally has exited, or is in the process of exiting, the system through a combination of partial or total company liquidations, dissolutions, or consolidations that result in capacity rationalization. Given constant demand, the Adviser believes the reduction in distressed excess capacity should lead to price increases for an industry's products or services. An improved pricing environment will likely lead to stronger margins, profitability and higher valuations for the surviving companies. In the Adviser's experience, valuations for the surviving companies may approach the levels experienced before the advent of *Structural Change*.

As investors in *Structural Change*, the Adviser's goal is to add value by seeking to:

- 1) Identify the conditions necessary for a distressed industry to return to profitability. This will likely include cost reductions, balance sheet restructuring and the exit of distressed excess capacity;
- 2) Approximate the timing of the Inflection Point, the point at which uneconomic or distressed excess capacity exits the system; and
- 3) Identify the "winners" and "losers" of *Structural Change*.

The General Partner and the Adviser will not commingle the property of the Funds with the property of any other person, although portfolio securities and other property of the Funds may be commingled by those firms which act as brokers, futures commission merchants and custodians for the Funds.

The Funds' investment program entails a number of risks. There can be no assurance that the investment objectives of the Funds will be achieved, and results may vary substantially over time. The Adviser may consider it appropriate, subject to applicable regulations, to utilize forward contracts, options, swaps, and leverage in the Funds' investment program. Such investment techniques can, in certain circumstances, increase the adverse impact of market movements to which the Funds' investment portfolio may be subject. (See "Risk Factors" below)

Risk Factors

While presenting the opportunity for capital gains, investment in the Fund(s) involves a high degree of risk and is suitable only for investors that have no immediate need for liquidity of the amount invested and can withstand a loss of their entire investment in the Fund(s). Prospective investors should consider carefully, without limitation, the following factors in analyzing an investment in the Fund(s).

General Investment Risk

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 the General Partner or the Adviser

Strategy Risk

Portfolio Concentration:

The Funds' investments are concentrated in a single industry or a limited number of industries. A portfolio concentrated in a single industry or few industries may present greater risk than a portfolio that is diversified across many industries. Further, the Funds are expected to invest in a limited number of issuers within its industry or industries. The investment portfolio of the Funds may be subject to more rapid change in value than would be the case if the Funds were required to maintain a wider diversification.

Risk of Investing in Distressed Securities:

The Funds invest in securities of enterprises that are experiencing or have experienced significant financial or business difficulties (including as the result of the initiation or prospect of significant litigation or bankruptcy proceedings). Distressed securities may have the potential to generate significant returns to the Funds, but also involve a substantial degree of risk. The Funds may lose a substantial portion or all of its investment in a distressed company or may be required to accept cash or securities with a value less than the Funds' original investment.

It is anticipated that certain debt instruments purchased by the Funds will be non-performing and possibly in default. There can be no assurance as to the amount and timing of payments, if any, with respect to debt or other investments.

Through their investments, the Funds may become either a creditor of or equity holder in one or more companies involved in bankruptcy proceedings. The Funds may invest in US and foreign bankruptcy claims, which are amounts owed to creditors of companies in financial difficulty. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Equity Securities:

The Funds may invest in preferred or common stocks and there is no limitation on the type, size or operating experience of the companies in which the Funds may invest. All of the Funds' investments in stocks will be subject to normal market risks, although investments in small capitalization companies will have more limited marketability than the securities of larger companies.

Debt Securities Generally:

Debt securities have varying levels of sensitivity to changes in interest rates and varying degrees of credit quality. Assuming other factors remain constant (*i.e.*, the credit worthiness of the issuer), credit instruments generally increase in value when interest rates fall and decrease in value when interest rates rise.

Non-Investment Grade Bonds:

The Funds may invest in bonds that are of below investment grade quality (commonly known as “junk bonds”). The Funds’ investments in non-investment grade bonds will be predominantly speculative because of the credit risk of their issuers.

Trading in Non-U.S. Companies and 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.

Investment Techniques

In implementing the Funds’ investment strategy, the Adviser may utilize techniques such as borrowing to increase the Funds’ equity exposure and investing and trading in financial futures contracts, options, forward contracts, swaps and other derivative instruments. Although employing these techniques may expand the Funds’ opportunities for gain, it also substantially increases the risks of volatility and loss.

Derivatives Risk

The Funds may use financial instruments known as derivatives. A derivative is generally defined as an instrument whose value is derived from, or based upon, some underlying index, reference rate (such as interest rates or currency exchange rates), security, commodity, or other asset.

Hedging

The Adviser may (but is not obligated to) hedge the Funds’ positions as a way to seek protection against adverse price movements. However, hedging is not without its costs and limitations. For example, hedging lowers the profit potential of the investment just as it lowers the loss potential.

“Uninvested” Capital

The Adviser may from time to time invest Fund(s) 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 Funds 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’ rate of return.

Broad Investment and Trading Mandate

There are no significant restrictions on the Adviser’s investing and trading for the Funds, and the Funds are permitted to invest and trade in a broad range of securities and other financial instruments.

Structural Risk

Illiquid and Long-Term Investments

Investments may take several years from the date of the initial investment to reach a state of maturity when realization of the investment can be achieved. Accordingly, it is not expected that significant returns will occur for a number of years after investments are made.

In addition, in some cases the Funds may be prohibited by contract or otherwise from selling securities for a period of time. The limitations on liquidity of such investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Investments Longer than Term

An investment in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the termination of the Funds. However, the Fund does intend to offer Clients the following:

Partial Withdrawal Rights

Subject to a one-year Lock-Up Period, a Client generally has the right, upon at least 60 days' prior written notice, to withdraw up to 25% of its capital account as of the last business day of each calendar quarter.

Complete Withdrawal Rights

A Client generally has the right, upon at least 60 days' prior written notice, to make a complete withdrawal of its capital account on the first date of the month at a date equal to or greater than two years from the date of their Initial Draw. Complete withdrawals are subject to a 5% holdback until completion of audit.

The 60 days' prior written notice requirement may be waived by the General Partner in its discretion.

The General Partner may suspend withdrawal rights upon certain market-standard events, including if Fund-level redemptions exceed 25% of aggregate Fund NAV. The General Partner will use its reasonable best efforts to revoke any suspension as quickly as reasonably practicable.

Although it is expected that a Fund's investments will be disposed of prior to dissolution or be suitable for in kind distribution at dissolution, the Adviser (or General Partner) may have only a limited ability to extend the term of that Fund, and therefore, the Fund may have to sell, distribute or dispose of its investments at a disadvantageous time as a result of dissolution. Before a Fund's termination, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the Management Fee) may exceed its income, thereby requiring that the difference be paid from the Funds' capital.

Operational Risk

Reliance on the Investment Adviser

Decisions with respect to the management of each Fund may be made by the General Partner of each Fund with the advice of the Adviser. The success of a Fund will depend on the ability of its General Partner and Adviser to identify and consummate investments, and dispose of investments at a profit. The loss of the services of one or more members of the professional staff of Adviser or the General Partner, in particular, Mr. Brian Riley, could have an adverse impact on the Funds' ability to realize its investment objective. In addition, Adviser personnel will have demands made on their time for the investment, monitoring, exit strategy and other functions of other funds and accounts.

Risks Relating to Investment Research

Before making investments, the General Partner and/or Adviser will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment.

When conducting due diligence, the General Partner and/or Adviser will rely on the resources available to them, which may include information provided by the target company and, in some circumstances, third-party investigations. The due diligence investigation may not reveal or highlight all relevant facts necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Incentive Allocations

The General Partner's Incentive Allocations depend on the Funds' profitability. This creates an incentive for the Adviser to trade the Funds' assets in a manner that is riskier or more speculative than would otherwise be the case.

Competition for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. Adviser will be competing for portfolio companies with other investment vehicles, as well as financial institutions and other institutional investors. Additional investment vehicles and companies with similar investment objectives may be formed by unrelated parties and further consolidations may occur (resulting in larger funds and vehicles). There can be no assurance that Adviser can locate, complete and exit investments. There may be a considerable period of time before a Fund is fully invested, if at all. This may lead to the Adviser only making a limited number of investments. Since these investments may involve a high degree of risk, poor performance by a few could significantly affect the return to investors, and failure to invest the total commitments will reduce the potential for returns. Increased competition also has an effect on acquisition and other costs, thereby potentially reducing investment returns.

General Regulatory Risks

Legal, tax and regulatory changes could occur that may adversely affect Adviser and the Funds. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Funds and their ability to obtain

the leverage they might otherwise obtain or to pursue their trading strategies. New laws or revised regulations imposed by the SEC, other governmental regulatory authorities, self-regulatory organizations or industry bodies that supervise the financial markets that could adversely affect Adviser may be adopted in the future. The Funds may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these regulatory authorities or self-regulatory organizations.

Potential Conflicts of Interest

The Adviser (together with the General Partner of the Funds) will be subject to significant conflicts of interest in managing the business and affairs of the Funds and in making investment and trading decisions for the Funds.

The Adviser is expected to devote a material portion of its time to the business and affairs of the Funds. The Adviser may become involved in other business ventures, including other investment funds whose investment objectives, strategies and policies are the same as or similar to those of the Funds (or different from those of the Funds). The Funds will not share in the risks or rewards of such other ventures and such other ventures will compete with the Funds for the time and attention of the Adviser and might create additional conflicts of interest, as described below.

The Adviser may invest and trade in securities and other financial instruments for the accounts of clients other than the Funds, even if such securities and other financial instruments are the same as or similar to those in which the Funds invests and trades, and even if such trades compete with, occur ahead of or are opposite those of the Funds. The Adviser will not, however, knowingly trade for the accounts of clients other than the Funds in a manner that is detrimental to the Funds, nor will the Adviser seek to profit from their knowledge that the Funds intends to engage in particular transactions.

The Adviser might have an incentive to favor one or more of its other clients over the Funds (for example, with regard to the selection of particular investments) because those clients might pay the Adviser more for its services than the Funds. The Adviser will act in a fair and reasonable manner in allocating suitable investment opportunities among its client and proprietary accounts. No assurance can be given, however, that (i) the Funds will participate in all investment opportunities in which other client or proprietary accounts of such persons participate, (ii) particular investment opportunities allocated to client or proprietary accounts other than the Funds will not outperform investment opportunities allocated to the Funds, or (iii) equality of treatment between the Funds, on the one hand, and other client and proprietary accounts of such persons, on the other hand, will otherwise be assured.

Subject to the considerations set forth above, in investing and trading for client and proprietary accounts other than the Funds, the Adviser may make use of information it obtains in the course of investing and trading for the Funds, and the Adviser will have no obligation to compensate the Funds in any respect for their receipt of such information or to account to the Funds for any profits earned from their use of such information.

Item 9. Disciplinary Information

JB I and its employees have not been involved in any legal or disciplinary events in the past that would be material to a client's evaluation of JB I or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

JB I and its employees do not have any relationships, arrangements or affiliations with other financial services companies that pose material conflicts of interest.

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

To avoid potential conflicts of interest involving personal trades, JB I has adopted a Code of Ethics (the "Code"), which includes a formal code of ethics and insider trading policies and procedures. JB I's Code requires, among other things, that JB I personnel:

- Act in a professional and ethical manner at all times
- Act for the benefit of clients
- Act with independence and objectivity
- Act with skill, competence, and diligence
- Avoid, to the extent possible, actual or potential conflicts of interest
- Comply with privacy policies designed to protect the confidentiality of clients

Neither JB I nor its employees nor any related entities recommend to Clients any securities in which they have a material financial interest. Similarly, neither JB I nor its employees nor any related entities recommend securities to clients at or about the same time that they buy or sell the same securities for their own account(s). JB I's employees are required to obtain prior approval before investing in privately held companies and other private investments. JB I's Code requires that its employees report all transactions through a brokerage account on not less than a quarterly basis.

A copy of the Code is available for review upon request.

Item 12. Brokerage Practices

JB I has sole discretion on brokers used and commissions paid to brokers. The Funds utilize the services of Interactive Brokers, LLC ("IB"). JB I may execute trades with multiple executing brokers. All of the trades for the Funds will settle and clear at IB.

Research and other Soft Dollar Benefits

JB I will execute Client transactions and may generate "Soft Dollar Credits" through Soft Dollar Brokers that could pay for both research and mixed use products/services. Soft dollar arrangements represent potential conflicts of interest since clients' commissions are used to obtain products/services that JB I would otherwise have to obtain with its own funds. JB I is specifically authorized to direct brokerage to firms which furnish or pay for research and/or brokerage services

within the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). Mitigating this conflict is that all the research and other services noted below benefit all of the Funds and Managed Accounts managed by JBI. Notably, JBI does not intend to utilize Soft Dollar Credits for research or mixed use products and services beyond the execution of Client transactions.

i. Research

The research products/services received by JBI from the Soft Dollar Brokers, either directly or through third-party arrangements between the Soft Dollar Brokers and the third party service provider include, among others, information services on the economy, industries, groups of securities and individual companies, databases, quotation systems, performance measurement reports, bond/stock pricing information, periodicals and exchange fees paid for live market data. Notably, JBI does not intend to use such research products/services.

ii. Mixed Use

JBI may receive some services that may be used for both research and other, non-research purposes. In any such instances, JBI will assume that the non-research portion of the mixed-use products/services are for its own benefit rather than the benefit of Clients and therefore makes a good faith effort to determine the relative proportion of such mixed-use products/services related to both research and non-research purposes. While some products/services could be considered mixed-use products/services, the products/services shall be paid for in part using soft dollars. Notably, JBI does not intend to use such mixed use products/services.

Allocation of Investment Opportunities

JBI has a fiduciary obligation to use its best efforts to ensure that no Client is treated unfairly in relation to any other client in the allocation of securities or investment opportunities. Accordingly, JBI will seek to allocate orders and investment opportunities among its Funds in a manner that it believes is equitable and in the best interests of all Clients. JBI's accounts are invested in accordance with a single strategy and generally invest *pari passu*, or on a pro-rata basis with trades generally being executed on an aggregate basis among the Funds. Exceptions to this allocation methodology include, but are not limited to, differing legal or tax prohibitions and rebalancing due to disparities in capital activity (redemptions/subscriptions) in one or more of the Funds. Accordingly, the Funds, as a result, may experience some performance dispersion.

Item 13. Review of Accounts

Investors in the Funds generally receive annual audited financial statements on request, monthly notices of Fund performance estimates, Investor account balances from the Funds' Administrator, and a quarterly narrative Investor letter which includes the quarterly performance estimates, performance attribution, and a discussion of performance drivers for the quarter and the portfolio manager's perception of the market.

The Adviser reviews the Funds' books and records maintained by the Administrator on a monthly basis. The Adviser will review the expenses charged to the Funds, the gains and/or losses, and the

performance for the Funds on a monthly basis and approve the monthly books and records before monthly statements are sent to each investor directly by the Administrator.

Item 14. Client referrals and Other Compensation

JB I has entered into an agreement with Park Hill Group LLC that requires JB I to pay a portion of management and incentive fees it receives from the Funds as compensation for certain client referrals.

Item 15. Custody

All client assets are held in custody by unaffiliated broker/dealers or banks. However, JB I is deemed by applicable regulatory rules to have constructive custody of the assets of the Funds and complies with the applicable requirements. Investors in the Funds do not receive statements from the custodian. Instead, the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and distributed within 120 days of the respective Fund's fiscal year end.

Item 16. Investment Discretion

JB I buys and sells securities and other instruments for its Clients on a discretionary basis in a manner consistent with each Client's investment objectives and restrictions, as set forth in the governing agreements and documents of each Client.

Item 17. Voting Client Securities

Unless otherwise directed by a Client, JB I is responsible for voting proxies. JB I has a written policy and procedures governing its activities in this area. In general, JB I's proxy voting policy requires it to vote client proxies in the interest of maximizing shareholder value. JB I maintains a record of all proxy votes cast on behalf of its Clients. Finally, JB I reviews class actions and, when appropriate, will participate in the action on behalf of Clients.

A copy of JB I's written proxy voting policies and procedures, as well as a record of how JB I has voted in the past, will be maintained and available for review upon written request. Clients may contact JB I's Chief Operating Officer at the number provided at the beginning of this Brochure for this information.

Item 18. Financial information

Not applicable. JB I does not require or solicit prepayment, of more than \$1,200 in fees per client, six months or more in advance. JB I does not have any financial condition that would impair the its ability to meet contractual and fiduciary commitments to its clients.

Lastly, JB I has not been subject to a bankruptcy petition at any time during the past ten years.