

Part 2A of Form ADV
Southside Capital, LLC
The Brochure

Southside Capital, LLC

Item 1 - Cover Page

March 2020

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Southside Capital, LLC (“Southside Capital”, the “Firm”, or the “Adviser”) is a federally registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Being registered as an investment adviser does not imply a certain level of skill or training.

This Brochure provides information about the qualifications and business practices of Southside Capital. If you have any questions about the contents of this Brochure, please contact us at (917) 810-2574. 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.

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

Item 2 - Material Changes

Southside Capital, LLC is providing this Brochure (the “Brochure”) in accordance with requirements of the SEC. This Item of the Brochure will discuss only material changes that are made to the Brochure and provide clients with a summary of such changes. Since our initial Brochure dated June 2019, Southside Capital updated its Assets Under Management numbers in Item 4.

Future Brochure filings will address “material changes” since the date of this filing concerning Southside Capital which will either be delivered, or offered for delivery, to clients. A copy may also be downloaded from the SEC’s website, www.adviserinfo.sec.gov.

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Item 4 - Advisory Business

- A. The Adviser is a Delaware limited liability company and has its principal place of business located in Miami Beach, Florida. The Adviser provides discretionary investment advisory services to Southside Capital Small Cap Fund, LP (the “Fund”) and sub-advisory services to two sub-advised accounts (referred to herein as “Managed Accounts” and collectively with the Fund, the “Clients”).

The Adviser was formed in 2018 by its founder, Scott Carmel (the “Principal”).

- B. The Adviser seeks to generate absolute returns while minimizing volatility through pursuing a long-short equity strategy.
- C. While each of its Clients will follow the general strategy stated above, the Adviser may tailor the specific advisory services with respect to each Client based on the particular investment objectives and strategies described in the applicable Client’s (i) confidential offering memorandum or separate account agreement (as applicable) and (ii) governing documents (referred to collectively as “Offering Documents”).

All discussion of the Clients in this Brochure, including but not limited to their investments, the strategies used in managing the Clients, and conflicts of interest faced by the Adviser in connection with the management of the Clients are qualified in their entirety by reference to each Client’s respective Offering Documents.

- D. The Adviser does not participate in wrap fee programs.
- E. As of December 31, 2019, the Adviser manages \$952,045,400 in discretionary assets and \$0 in non-discretionary assets.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to the Fund and Managed Accounts, respectively.

The Fund

Management Fees. The Adviser receives a management fee calculated and payable monthly in arrears as of the last day of each calendar month. The management fee will be equal to $1/12^{\text{th}}$ of 1.5% for Class A interests and 0% for Class B interests of the capital account of each limited partner at the end of each month (after taking into account any contributions or withdrawals as of such date).

Performance Allocation. The Adviser is entitled to a performance-based profit allocation at the end of each calendar year equal to fifteen percent (15%) of the net increase in the value of the interests over the relevant fiscal year, reduced in accordance with traditional high watermark treatment (the “Net Return”). The performance allocation with respect to Class B interests will be equal to a blend of percentages of the Net Return. Class B allocation percentages means an amount equal to (1) 50% of the net profits that is less than or equal to 3%; and (2) 20% of the net profits that is greater than 3%.

Managed Accounts

With respect to the Managed Accounts, the fees vary from client to client and are highly negotiated with each particular client. Generally, the Managed Accounts are subject to management fees and performance-based fees. Management fees can be structured as a fixed fee or as a percentage of overall account value. Performance fees are typically a percentage of the overall performance of the account during a given period of time.

- B. Management Fees and Performance Allocations are deducted directly from the Fund’s capital and payable monthly in arrears. With respect to the Managed Accounts, the advance performance fee is payable monthly in advance. Such fees are generally paid by the owners of the applicable accounts and not deducted from the assets of the Managed Accounts.
- C. Clients will incur brokerage and other transaction costs. Item 12 of this Brochure discusses how the Adviser selects brokers and determines the reasonableness of their compensation.

The Fund will bear all of its reasonable expenses, including organizational expenses, initial and ongoing offering expenses, operating expenses and other expenses. The Fund also will be responsible for reimbursing the adviser and/or the general partner for all reasonable costs and expenses directly incurred by them in connection with the organization of the Fund.

Additionally, the Fund will pay (or reimburse the general partner or the Adviser, as applicable, for) all: administration costs and expenses, including fees of the Fund's administrator; brokerage and clearing commissions and services and similar expenses necessary for the Fund to receive, buy, sell, exchange, trade and otherwise deal in and with securities and other property of the Fund; trade support services including, but not limited to, pre-and post-trade support software and related support services; research (including computer, newswire, quotation services, publications, periodicals, subscriptions, data base services and data processing that are directly related to research activities on behalf of the Fund) and consulting, advisory, investment banking, finders and other professional fees relating to investments or contemplated investments; interest expenses (including interest on margin); custodian and transfer agency services (including the costs, fees and expenses associated with the opening, maintaining and closing of bank accounts, custodial accounts and accounts with brokers on behalf of the Fund (including customary fees and charges applicable to transactions with such broker accounts); legal, accounting, auditing and tax preparation fees and expenses; expenses incurred in connection with the Fund's operations and trading activities, including travel; taxes and similar charges (including penalties); expenses relating to the organization of the Fund and the offering of interests in the Fund, including the cost of updating the Fund's confidential private placement memorandum and other relevant documents, the negotiation of side letters and any related costs and legal and regulatory expenses associated with such offering (e.g., "blue sky" filings); expenses related to the maintenance of the Fund's registered office and corporate licensing; legal fees and related expenses, including legal costs and expenses of Indemnified Parties (such as indemnification and advances on account of indemnification) that may be payable by the Fund pursuant to the indemnification obligations under the Offering Documents or any threatened or actual litigation involving the Fund, which may include monetary damages, fees, fines and other sanctions, whether as a result of such regulatory authorities or such commercial interests prevailing, or the Adviser determining to settle such threatened or actual litigation; legal and compliance third-party fees and expenses including, without limitation, filing and registration fees and expenses associated with regulatory filings, audits and inquiries with state securities authorities, the Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission; the cost of any insurance premiums; extraordinary expenses; interest cost and taxes; wind-up, liquidation and other similar expenses; and any other expenses related to the activities of the Fund as shall be determined by the general partner in its sole discretion.

Each limited partner shall bear its pro rata share of the expenses incurred by the Fund, appropriately adjusted with respect to any memorandum account, as reasonably determined by the general partner in its sole discretion. In general, any Fund expense that relates specifically to a particular designated investment will be charged solely to the capital accounts of those partners participating in the designated investment. The determination as to whether an expense relates specifically to a particular Designated Investment will be made by the general partner in its sole discretion.

At the option of the general partner, the organizational expenses of the Fund may be amortized over a period of sixty (60) months from the date the Fund commenced operations. The amortization of organizational expenses over sixty (60) months is not in accordance with U.S. generally accepted accounting principles and could result in an exception opinion in the auditors' report in the annual audited financial statements if the effect of the difference between amortization and recognition of these expenditures when incurred is deemed material to the financial statements.

- D. As stated above, Management Fees are deducted directly from the Fund's capital and paid monthly in arrears. A pro-rated management fee will be assessed on any subscriptions accepted as of any date other than the first business day of a calendar month. If all or any portion of a limited partner's capital account is withdrawn on a date other than the first business day of a calendar month, a pro rata portion of the management fee paid for such month that relates to the withdrawn portion of the capital account will be reimbursed to the Fund. The Managed Accounts pay the Adviser monthly compensation draws in advance based on the relevant Managed Account's percentage of the Adviser's assets under management. Upon the termination of an advisory contract, a Managed Account shall pay a draw prorated through the end of the foregoing notice period.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

The Adviser may enter into different fee arrangements on a Client by Client basis and will be negotiated with each Client and described in detail in the respective Offering Documents.

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

As stated in Item 5 above, the Adviser receives performance-based fees or allocations from certain Clients. The specific structure and calculation of the performance-based fee are described in detail in each respective Offering Document. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future clients, the Adviser will implement policies and procedures to ensure that all clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

Item 7 - Types of Clients

As mentioned in Item 4, the Adviser provides investment advisory and sub-advisory services to its Clients based on the investment objectives and strategies described in its Offering Documents.

The minimum investment in the Fund is generally \$250,000, however, the general partner may accept investments in a lesser amount at its sole discretion.

Acceptance of separate account management relationships is determined on a case-by-case basis.

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

Investment Strategy Overview and Methods of Analysis

Southside Capital's investment strategy is summarized below and detailed in the governing documents for each Client.

The Adviser's investment objective is to produce superior, risk-adjusted returns through the management of a portfolio of long and short equity investments. The Adviser identifies long and short investment ideas through its investment process, which emphasizes detailed analysis of company and sector fundamentals. The Adviser focuses on achieving strong risk-adjusted capital appreciation by investing in long/short positions in the financial sector.

Risk of Loss

The Adviser's investment strategy involves a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective investors should carefully review the risks described in the applicable Client's offering documents:

Investment Risks

Concentration in Financial Services and Regional Banking Industry. The investments of the Fund will be concentrated in the financial services and regional banking industry. Investing in the financial services sector involves risks, including the following: financial services companies are subject to extensive government regulation and, as a result, their profitability may be affected by new regulations or regulatory interpretations; unstable interest rates can have a disproportionate effect on the financial services sector; financial services companies whose securities the Fund may purchase may themselves have concentrated portfolios, which makes them vulnerable to economic conditions that affect that sector; and financial services companies have been affected by increased competition, which could adversely affect the profitability or viability of such companies. Thus, the Fund's performance is susceptible to developments affecting securities of issuers in that industry. 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 wide diversification among industries, companies, and types of securities. An investment in the Fund should not be considered a balanced investment program and is intended to represent a part of a more complete investment portfolio.

Small-Cap Securities. The Fund may invest in companies with small market capitalizations. Such investments may involve greater risk than investing in larger companies. The stock prices of small-cap companies can rise very quickly and drop dramatically in a short period of time. This volatility results from a number of factors, including reliance by these companies on limited product lines, markets and financial and management resources. These and other factors may make small-cap companies more susceptible to setbacks or downturns. These companies may experience higher rates of

bankruptcy or other failures than larger companies and they may be more likely to be negatively affected by changes in management. In addition, the stock of a small-cap company may be thinly traded.

Concentration of Investments; Limited Diversification. Although the Fund follows a general policy of seeking to diversify the Fund's capital among a number of investments, the Adviser may depart from such policy from time to time and may hold a few, relatively large positions in relation to the Fund's capital. The result of such concentration of investments is that a loss in any such position could materially reduce the Fund's capital.

Master-Feeder Structure. In the future, the Fund may invest through a "master-feeder" structure. The "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in a master fund may be materially affected by the actions of a larger feeder fund investing in such master fund. If a larger feeder fund redeems its shares of a master fund, a remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. A master fund may become less diverse due to a redemption by a larger feeder fund, resulting in increased portfolio risk. A master fund is a single entity and creditors of such master fund may enforce claims against all assets of such master fund, including a pro rata share of assets owned by the feeder.

The Fund may enter into an arrangement with other investment funds managed by the general partner with the same or substantially similar investment objectives as the Fund's to either allow other funds to contribute their assets to the Fund to invest, or to pursue its investment activities by investing all or a portion of its assets in a "master fund."

General Investment Risks

Limited Operating History; Past Performance; Reliance on Key Personnel. The Fund, the general partner and the Adviser are newly formed entities, and each of the general partner and the Adviser has a limited operating history. Past performance of the general partner, the Adviser and their affiliates, employees or representatives or any other person is not indicative of future results of the Fund and no assurance can be given that the Fund's investment objectives will be achieved or that investors in the Fund will receive a return of any of their investment. The Fund, the general partner and the Adviser expect to rely heavily on the investment team's experience, and should any of them become incapacitated or in some way cease to participate in the Fund, the Fund's performance could be adversely affected.

General Economic and Market Conditions. The Fund will be subject to various risks incidental to investing, including political and economic instability. The Fund's investments may be sensitive to general downward swings in the overall economy or in their specific industries or geographies. Factors affecting economic conditions, including, for example, public market volatility, inflation rates, rising interest rates, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends and innumerable other factors, none of which will be in the control of the Fund or

the general partner, can substantially and adversely affect the business and prospects of the Fund and/or the companies in which it has invested. Further, downturns in the U.S. or global economy, deteriorations in the condition of the industries or sectors in which the Fund has invested, or adverse developments in the securities or credit markets may have an adverse impact on some or all of the Fund's investments.

Market Risks. The profitability of the Fund's investment program depends to a great extent upon correctly assessing the future price movements of securities and other investments. There can be no assurance that the Adviser will be able to predict accurately these price movements. Investments in equity securities are subject to normal market fluctuations, and there can be no assurance that appreciation will occur. The price of shares can go down as well as up. The market prices of equity securities may be affected by general economic and market conditions, such as a broad decline in stock market prices, and by conditions affecting a specific issuer, such as changes in earnings forecasts.

Leverage. The Fund is authorized to borrow money from banks and other entities, including borrowing money through margin facilities at one or more broker/dealers. Bank borrowing may represent a substantial portion of the Fund's total assets, excluding the amount obtained from leverage through margin loans and other hedging techniques. The Fund may also enter into repurchase agreements. Use of leverage is a speculative investment technique and involves certain risks, such as the possibility of higher volatility of the Fund's net asset value. To the extent that the Fund uses leverage, a decrease in the net assets of the Fund will tend to be at a greater rate than if borrowed money was not used. The Fund will be subject to the risk that changes in the general level of interest rates may adversely affect its operating results. The Fund's use of leverage secured by the Fund's assets may also act to reduce its liquidity, which may in turn have a negative impact on the Fund's ability to pay withdrawals in cash.

Short Sales. The Fund's investment strategy may involve entering into short sale positions. Short selling involves selling securities or other items which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities or other items at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities or other items. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Fund's portfolio. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position or the theoretically unlimited loss. There can be no assurance that the Fund will be able to maintain the ability to borrow securities or other items sold short. In such cases, the Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities or other items to close out a short position can itself cause the price of such items to rise further, thereby exacerbating the loss. In a generally rising market, the Fund's short positions may be more likely to result in losses.

Hedging Transactions Risk. The Adviser may employ various hedging techniques. The success of a hedging strategy will be subject to the Adviser's ability to assess correctly the degree of correlation between the performance of the instruments or contracts used in the hedging strategy and the performance of the investments or contracts in the portfolio being hedged. Since the characteristics of many financial instruments change as markets change or time passes, the success of a hedging strategy will also be subject to the Adviser's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of those portfolio positions or prevent losses if the values of those positions decline. Rather, it establishes other positions designed to gain from those same declines, thus seeking to moderate the decline in the portfolio position's value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. For a variety of reasons, the Adviser may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs. The Adviser may determine, in its sole discretion, not to hedge against certain risks and certain risks may exist that cannot be hedged. Furthermore, the Adviser may not anticipate a particular risk so as to hedge against it effectively. Hedging transactions also limit the opportunity for gain if the value of a hedged portfolio position should increase.

Derivative Transactions. Although it is not expected to be a significant part of the Fund's investment strategy, the Fund may invest in derivatives, including swaps, over-the-counter options and other financial instruments in an effort to hedge various market risks or to manage the Fund's exposure to various equity markets. These strategies impose certain costs on the Fund and involve certain risks, such as the possible default of the other party to the transaction, the lack of liquidity, the imperfect nature of the hedge or the ineffectiveness of the strategy in a particular situation, operational risks relating to margin requirements for particular instruments, and the possible accentuation of losses or reductions in gains of the underlying portfolio securities.

Cash Management Investments. To manage cash on a temporary basis, the Fund may invest in certain short-term instruments that provide returns in the form of fixed periodic payments and the return of principal at maturity. The value of such investments will change as the general levels of volatility and interest rates fluctuate. When interest rates decline, the value of such investments can be expected to rise, and when interest rates rise, the value of such investments can be expected to decline.

Investment in Money Market Mutual Funds Risk. The Fund may invest in money market mutual funds. An investment in a money market mutual fund is not insured or guaranteed by a Federal Deposit Insurance Corporation or any other government agency. Although such funds seek to preserve the value of the Fund's investment at \$1.00 per share, it is possible to lose money by investing in a money market mutual fund.

U.S. Government Securities Risk. Treasury obligations may differ in their interest rates,

maturities, times of issuance and other characteristics. Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. government. No assurance can be given that the U.S. government will provide financial support to its agencies and authorities if it is not obligated by law to do so. Certain of the government agency securities the Fund may purchase are backed only by the credit of the government agency and not by full faith and credit of the U.S. government.

Credit Risk. Credit risk refers to the possibility that the issuer of the security will not be able to make principal and interest payments when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. Securities rated in the four highest categories by the rating agencies are considered investment grade, but they may also have some speculative characteristics. Investment grade ratings do not guarantee that bonds will not lose value.

Interest Rate Risk. Interest rate risk is the risk that prices of fixed income securities generally increase when interest rates decline and decrease when interest rates increase. The Fund may lose money if short term or long term interest rates rise sharply or otherwise change in a manner not anticipated by the general partner.

Lack of Liquidity. Although the Fund will generally acquire liquid investments, certain securities and other investments acquired by the Fund may not be readily marketable. The Fund's portfolio may include investments for which no market exists and that have restricted transferability under Federal or state securities laws. The Fund may be able to dispose of these securities only at substantial discounts or losses.

High Risk Investments. The Fund may invest in companies involved in (or that are the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. Likewise, the Fund's investment philosophy may involve investment in markets or companies in the midst of a period of economic instability. In any investment opportunity involving any such type of business enterprise, there exist a number of risks, such as the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Further, in any investment in an unstable economic environment, there exists the risk of bankruptcy or insolvency with respect to equity securities and of default as to debt securities. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies or situations in which the partnership may invest, there is a potential risk of loss by the Fund of its entire investment in such companies.

Organizational Risks

Possible Effects of Withdrawals. The Fund is structured to permit [quarterly] withdrawals of capital by limited partners. The Fund may have insufficient cash to meet the Fund's withdrawal obligation to the investor and the Fund may have to sell securities or borrow funds to meet this obligation. Such sales of securities or borrowings may occur on terms and conditions, including sale price and applicable interest rate, that are unfavorable to the Fund and may otherwise be disruptive to the management of the Fund's portfolio, which may decrease the value of the interests held by limited partners.

Limitations on Transfers of Interests and Withdrawals. There is no public market for the interests and limited partners may not sell, assign or transfer their interests without the consent of the general partner. Furthermore, the interests will not be registered under the 1933 Act or any state securities laws and may not be transferred unless registered under applicable federal and state securities laws or unless an exemption from such laws is available. The Fund has no plans, and is under no obligation, to register the interests under any such laws and the interests will not be listed for trading on any exchange. There is no secondary market for the interests, and none is expected to develop. Although limited partners may request to withdraw their interests of the Fund on available withdrawal dates, the Fund imposes limitations on withdrawals and may delay payment of a portion of the withdrawal payment. The Fund reserves the right to suspend withdrawals under certain limited circumstances. A subscription for an interest should be considered only by persons financially able to maintain their investment and who can afford a loss of all of their investment.

Designated Investments. While it is the Fund's policy to generally not invest more than 10% of its net assets and the net assets attributable to each limited partner in designated investments, the percentage of such limited partner's investment attributable to designated investments may exceed 10% at any given time due to among other things, the timing of investments or administrative convenience.

Limited partners may not withdraw any portion of their designated capital accounts and such accounts will only be withdrawn as underlying designated investments are sold. The partnership may hold designated investments for an indefinite period of time. Therefore, even after a limited partner withdraws all of its capital account, it may not be able to withdraw its designated capital accounts and may remain subject to the risk of the underlying designated Investments for a significant period of time.

In-Kind Distributions. If significant withdrawals are requested, the general partner may not be able to liquidate the partnership's investments at the time such withdrawals are requested or may be able to do so only at prices which the general partner believes do not reflect the true value of such investments and which would adversely affect the return to limited partners. The general partner does not currently intend to make distributions in-kind of the Fund's portfolio investments. However, limited partners may receive in-kind distributions of securities or obligations in the Fund's portfolio at the general partner's discretion. Such securities and obligations may not be readily marketable or salable and may have to be held by limited partners for an indefinite period of time.

Performance Allocation. The general partner's right to receive a Performance Allocation based on the net increase in the value of the capital account of each limited partner may create an incentive for the general partner to cause the Fund to make investments that are riskier or more speculative than would be the case if the general partner was not entitled the Performance Allocation. Also, since the Performance Allocation is calculated on a basis that includes unrealized appreciation of the Fund's assets, the Performance Allocation may be greater than if it were based solely on realized gains. Moreover, if realized gains turn out to be less than the unrealized appreciation on which the Performance Allocation was based, the limited partners will not be entitled to a return of any portion of the prior Performance Allocation (although it will count against future Performance Allocations).

Valuation. The Fund's securities will be valued by reference to their market price in accordance with the partnership Agreement. However, when no market exists for an investment or when the Adviser, in consultation with the general partner, determine that the market price does not fairly represent the value of the investment, the Adviser and the general partner will value such investment as it reasonably determines and will set forth the basis of such valuation in writing in the Fund's records. The Fund is not required to have such valuations independently determined. While best efforts will be used to value all investments fairly, certain investments may be difficult to value and may be subject to varying interpretations of value.

Valuation of Designated Investments. designated investments will be valued at the lower of (i) cost (or market value on the date of designation) or (ii) current market value for net asset value purposes which will be reflected on investors' capital statements and these valuations will be conclusive and binding on all investors. However, for purposes of preparing the Fund's financial statements, designated investments will be valued at fair value as required by GAAP or IFRS. Accordingly, there may be a difference between the overall net asset value of the Fund used to compute the Management Fee and Performance Allocation and the net asset value reported in the Fund's financial statements.

No Opportunity to Vote; Dependence on the General Partner. Limited partners will have no rights to vote with respect to the Fund or with respect to amendments to the partnership Agreement (except with respect to any amendment that would adversely affect the limited partners in any material respect). limited partners will have no right to participate in the management or operations of the Fund or to exercise voting or other rights attendant to the securities held by the Fund and, thus, must depend solely upon the ability of the general partner with respect to making investment decisions and the general partner with respect to certain other activities. In addition, limited partners will not have an opportunity to evaluate the specific investments made by the Fund prior to the consummation of such investments.

Limitations on Liability; Indemnification. The partnership Agreement sets forth the circumstances under which the general partner and other indemnified parties are to be excused from liability to the Fund and the limited partners for damages or losses that the Fund or the limited partners may incur by virtue of any such indemnified party's

performance of services for the Fund. As a result, the Fund and the limited partners may have a more limited right of action in certain cases against these persons than they might otherwise have. Additionally, in the event that a claim is made against an indemnified party, such indemnified party may be entitled to be indemnified by the Fund, in which case the assets of the Fund would have to be used to indemnify such indemnified party for amounts incurred in connection with such claim.

Execution of Orders. The Fund's trading strategy depends on its ability to establish and maintain an overall market position in a combination of securities selected by the Adviser. Should the Fund's trading orders not be executed in a timely and efficient manner, the Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. In such an event, the Fund would not be able to achieve the market position selected by the Adviser, and might incur a loss in liquidating its position, incur an opportunity cost relating to the value of the portfolio or deviate from the targeted level of portfolio risk.

Handling of Mail. Mail addressed to the Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the general partner to be dealt with. None of the Fund, the general partner or any of their officers, advisors or service providers will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, the general partner will only receive, open or deal directly with mail which is addressed to it personally (as opposed to mail which is addressed just to the Fund).

Subscription Monies. Where a subscription for interests is accepted, the interests will be treated as having been issued with effect from the relevant subscription date notwithstanding that the subscriber for those interests may not be entered in the Fund's register of partners until after the relevant subscription date. The subscription monies paid by a subscriber for interests will accordingly be subject to investment risk in the Fund from the relevant subscription date.

Soft Wind Down. If the Adviser, in consultation with the general partner, decide that the investment strategy is no longer viable the Adviser and general partner may resolve that the Fund be managed with the objective of realizing assets in an orderly manner and distributing the proceeds to limited partners in such manner as they determine to be in the best interests of the Fund, in accordance with the terms of the partnership agreement and the Offering Documents, including, without limitation, compulsorily withdrawn interests, paying any dividend proceeds in specie and/or declaring a suspension while assets are realized. This process is integral to the business of the Fund and may be carried out without recourse to a formal liquidation under any applicable bankruptcy or insolvency regime.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN ADVISER'S METHODS OF ANALYSIS AND INVESTMENT STRATEGIES USED IN FORMULATING INVESTMENT ADVICE OR MANAGING ASSETS.

PROSPECTIVE CLIENTS SHOULD CAREFULLY REVIEW THE RISKS DESCRIBED IN THE APPLICABLE GOVERNING DOCUMENTS.

Item 9 - Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Adviser's advisory services or the integrity of management.

Neither Southside Capital, nor any of its affiliates, have ever been disciplined or sanctioned by any regulatory agency.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Adviser does not have any other relationships or arrangements with any related persons that is material to its advisory business or to its Clients.
- D. The Adviser does not recommend or select other investment advisers for its Clients.

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

- A. The Adviser has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the "Code"). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. Employees are generally prohibited from transactions in single name companies (including IPOs) in their personal accounts and must pre-clear other transactions involving reportable securities. The Adviser requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

The Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the Firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non-public information, and, therefore, may not trade on the basis of that information.

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

- B. The Adviser does not have a material financial interest in securities for which it recommends to Clients, or buys or sells for Client accounts.
- C. The Adviser or related persons may invest in securities that it recommends to Clients. This may create an incentive for the Adviser to allocate securities in favor of the Adviser's proprietary accounts over the Client's accounts. To address these conflicts of interest, the Adviser has implemented personal trading policies within the Code that requires pre-clearance of personal trades in certain circumstances; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.
- D. Subject to the requirements of the Code, the Adviser or related persons may recommend investments to Clients, or make investments for Clients, at or about the same time that the Adviser or its related persons buys or sells the same investments for their own account.

Item 12 - Brokerage Practices

- A. The Adviser has complete discretion to determine, subject to each Client's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries use in effecting the transactions for Clients, and the commission rates to be paid for such transactions.

Brokerage. The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause a Client to enter into arrangements pursuant to which the Client pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by a Client may be cleared through, and the Client's investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. Subject to the Adviser's agreement with each Client, the Adviser may use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. The Adviser does not consider the receipt of Client referrals when selecting broker-dealers to execute transactions.

The Managed Accounts will have designated firms to serve as both the custodian and prime broker for its assets. The Managed Accounts, however, will not routinely recommend, request or require the Adviser to execute transactions through a specified broker-dealer. The executing brokers retained by Southside Capital will be selected by the Adviser at its sole discretion.

Soft Dollars. The Adviser or its affiliates may receive from a Client's broker-dealer products and services in addition to brokerage services.

A portion of the commissions generated on a Client's brokerage transactions may generate "soft dollar" credits that the Adviser is authorized to use to pay for research and other non-research related services and products used by the Adviser or its affiliates. The Adviser may enter into "soft dollar" arrangements with one or more broker-dealers whereby the Adviser will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Although the Adviser will use the research and services in making investment decisions for the applicable Client, the Adviser may use such research or services for other Clients and the applicable Client will generally pay more than the lowest available commissions for execution of these transactions. The Adviser may also enter into "soft dollar" arrangements to cover Client expenses or costs and expenses of the Adviser to the extent such arrangements are permitted by law.

The Adviser has authority to use “soft dollar” credits generated by a Client’s securities transactions to pay for expenses that might otherwise have been borne by the Adviser. This may give the Adviser an incentive to select brokers or dealers for Client transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Adviser rather than giving exclusive consideration to the interests of the Clients. In the event that the Adviser elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or such services that are otherwise reasonably related to the investment decision-making process.

The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Adviser creates a conflict of interest between the Adviser and its Clients, because a Client may pay for such products and services that are not exclusively for the benefit of the Client and that may be primarily or exclusively for the benefit of the Adviser. To the extent that the Adviser is able to acquire these products and services without expending its own resources (including management fees paid by a Client), the Adviser’s use of “soft-dollars” would tend to increase the Adviser’s profitability. In addition, the availability of these non-monetary benefits may influence the Adviser to select one broker rather than another to perform services for its Clients. Certain of the Clients’ Offering Documents, including the Funds’ Offering Documents, specifically authorize these practices to the fullest extent permitted by law.

- B. In general, the Adviser attempts to aggregate multiple orders for the purchase or sale of the same instrument into block transactions across both strategies, subject to the overall obligation to achieve best price and execution for its Clients. The only time the general rule does not apply is when a Client trades in the same security or other instrument where there is overlap between both the core strategy and the small cap strategy and the order cannot be aggregated within the individual strategies (usually capital market transactions). In this instance, the Adviser/traders will direct the trades to the market in accordance with the Firm’s allocation policy (i.e. eligibility of participation for each strategy), seeking to best achieve equivalent treatment.

Item 13 - Review of Accounts

- A. The Principal of the Adviser is responsible for reviewing Client investment portfolios on a continuous basis relating to, among other factors, position sizes; exposure levels; margin requirements; and investment opportunities.
- B. See Item 13.A. above.
- C. The Adviser provides written periodic financial reports, such as audited annual financial statements to the investors in the Fund. Southside Capital or the custodian of the Managed Accounts provides a written account statement or report to the Managed Accounts on a periodic basis, depending on the terms negotiated between the Managed Accounts and Southside Capital. The reports include the performance of the account along with other information as agreement by Southside Capital and the Managed Accounts.

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to its Clients.
- B. Neither the Adviser nor a related person of the Adviser directly or indirectly compensates any person who is not a supervised person for client referrals.

Item 15 - Custody

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Fund by virtue of the common control of the Adviser and the general partner of the Fund. All assets and securities of the Fund are held by qualified custodians. As noted in Item 13 above, Fund Investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

Southside Capital is not deemed to have custody of the assets held in the Managed Accounts. The Managed Accounts do not surrender ownership of any cash or securities comprising the assets in its accounts. Southside Capital may not remove any cash or securities from a Managed Account and the assets subject to supervision will be maintained in street name in the respective Managed Account's custody with the custodian and/or broker-dealer selected by the Managed Accounts and set forth in each respective investment management agreement. Managed Accounts should carefully review account statements received from the broker-dealer, bank or other qualified custodian. Southside Capital periodically evaluates its status under the custody rule to determine any change.

Item 16 - Investment Discretion

The Adviser exercises full discretionary authority in managing the investments made by the Fund, based on the Fund's investment objectives, policies and strategies disclosed in its Offering Documents. Southside Capital contractually assumes discretionary authority over the assets of the Fund under an investment management agreement entered among the Adviser, the Fund and its general partner.

The Managed Accounts appoint the Adviser as agent and attorney-in-fact, with full power and authority in the Adviser's sole and absolute discretion to purchase, sell (including short sale), tender, exchange, convert or exercise and otherwise acquire or dispose of and trade and deal in or with the investments for the Managed Accounts in such manner as the Adviser considers appropriate, consistent with its strategies and the limits fully described in its investment management agreement.

Item 17 - Voting Client Securities

The Adviser follows a proxy voting policy to ensure that proxies the Firm votes, on behalf of each Client, are voted to further the best interest of that Client. The policy establishes a mechanism to address any conflicts of interests between the Adviser and its Clients. Further, the policy establishes how a Client's underlying investors may obtain information on how the proxies have been voted.

The Adviser determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. The Adviser votes proxies in a manner that it believes reasonably furthers the best interests of its Clients and is consistent with the investment philosophy as set forth in the relevant Client Offering Documents.

If a proxy vote creates a material conflict between the interests of the Adviser and a Client, the Adviser will resolve the conflict before voting the proxies. The Adviser will take steps designed to ensure that a decision to vote the proxy was based on the Adviser's determination of the Client's best interest and was not the product of the conflict.

The Adviser maintains records of (i) all proxy votes that are made on behalf of its Clients; (ii) all written requests from each Client's underlying investors regarding voting history; and (iii) all responses (written and oral) to investors' requests. Such records are available to each Client's underlying investors upon request.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of more than \$1200, six months or more in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.