

Bell Hill Capital Management, LLC

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Tiburon, CA 94920**

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This “**Brochure**” provides information about the qualifications and business practices of Bell Hill Capital Management, LLC (hereinafter “**Bell Hill Capital**,” “**we**,” “**us**,” “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Andrew Goldberger, by email at andy@bellhillcap.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Bell Hill Capital has applied as an “Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days” with the SEC. Registration as an investment adviser does not imply that Bell Hill Capital or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Bell Hill Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is Bell Hill Capital Management, LLC's initial Form ADV Part 2A which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if the Brochure – when amended in conjunction with our initial launch and/or any necessary updates – contains material changes from our last update, we will identify and discuss those changes.

Item 3: Table of Contents

| | |
|------------------------------------------------------------------------------------------------------|----|
| Item 2: Material Changes | 2 |
| Item 4: Advisory Business..... | 4 |
| Item 5: Fees and Compensation | 4 |
| Item 6: Performance-Based Fees and Side-By-Side Management..... | 5 |
| Item 7: Types of Clients | 5 |
| Item 8: Methods of Analysis, Investment Strategies and Risk of Loss | 5 |
| Item 9: Disciplinary Information..... | 16 |
| Item 10: Other Financial Industry Activities and Affiliations..... | 17 |
| Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 17 |
| Item 12: Brokerage Practices | 18 |
| Item 13: Review of Accounts..... | 18 |
| Item 14: Client Referrals and Other Compensation | 18 |
| Item 15: Custody | 18 |
| Item 16: Investment Discretion..... | 19 |
| Item 17: Voting Client Securities | 19 |
| Item 18: Financial Information | 19 |

Item 4: Advisory Business

Bell Hill Capital Management, LLC (hereinafter “**Bell Hill Capital**,” “**we**,” “**us**,” “**our**” or the “**Firm**”) is organized as a Delaware limited liability corporation with a principal place of business in Tiburon, California. Andrew Goldberger is the sole owner of Bell Hill Capital and will provide non-discretionary securities, investment, and portfolio management recommendations to its Clients. Mr. Goldberger will direct all activities and operations of Bell Hill Capital.

Bell Hill Capital serves as the investment adviser to separately managed accounts (the “Clients”) in a non-discretionary capacity, offering securities, investment, and portfolio management advice and recommendations to our Clients. If, in the future, we provide investment advisory services to other investment vehicles/Clients, we will update the appropriate regulatory documents at that time.

Our investment recommendations and advice, with respect to the separately managed accounts, are subject to the objectives and guidelines set forth in each Client’s respective investment management agreement. Depending on the objectives of each Client, we advise and make recommendations on existing investments and prospective investments; portfolio and risk management considerations; investment selection, sourcing, and diligence; and thematic investment research.

We make investment recommendations based on proprietary, bottoms-up fundamental and quantitative analysis. Our focus is generally on “alternative investments,” including but not limited to direct, limited partnership, or general partnership investments in hedge funds; private equity; venture capital; real estate; and other strategies. We also evaluate a range of public securities investments and other private investments. We expect that our investment recommendations and advice will span various asset classes; geographies; structures; and strategies.

We do not currently participate in any Wrap Fee Programs.

Currently, we do not have regulatory assets under management, but we expect to have, within 120 days of the effective date of our initial registration, client assets under management sufficient to allow us to remain eligible for registration with the SEC.

Item 5: Fees and Compensation

Bell Hill Capital’s compensation for the investment advisory services it provides to the separately managed accounts is comprised of advisory or management fees and of performance-based compensation that is based on the performance achieved for selected investments on a non-discretionary basis. In general, the advisory or management fees will be a fixed amount, charged on a monthly, quarterly, annual, or project-specific basis that is negotiated with each Client and commensurate with the agreed-upon advisory services. The fees, expenses and incentive allocation with respect to the separately managed accounts are set forth in the investment management agreements between Bell Hill Capital its Clients.

Incentive Fee

Bell Hill Capital is paid a performance-based compensation fee (“Incentive Fee”) for certain investments as set forth in the investment management agreement for each separately

managed account. The Incentive Fee will typically range from 5% to 20% of net annual profits of investments, as agreed upon with each Client at the time of investment. The Incentive Fee is normally charged on either an annual basis or at the conclusion of a particular investment.

Other Types of Fees or Expenses

Bell Hill Capital is authorized to incur and pay in the name and on behalf of its Clients all expenses which they deem necessary or advisable.

The Firm is responsible for and shall pay, or cause to be paid, all of its own ordinary administrative and overhead expenses, including all costs and expenses related to rent, salaries, office equipment, computer equipment, supplies, wages, bonuses and other employee benefits, unless otherwise specified in the investment management agreement of each separately managed account.

To the extent that expenses to be borne by the Clients are paid by the Firm, the Clients will reimburse the Firm for such expenses. We may waive any such reimbursement with respect to any Client expenses. Any waiver by us for reimbursement of any Client expenses shall not serve as a waiver of reimbursement for any future Client expenses to be paid by us.

Neither Bell Hill Capital nor Andrew Goldberger accepts compensation for the sale of securities or other investment products.

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

We are entitled to performance-based compensation from each of our Clients. As a result, we do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

Item 7: Types of Clients

Our Clients are the separately managed accounts, as described above.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients should not be understood to limit in any way our investment or advisory activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines. The investment strategies we recommend or pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Investment Objective

Bell Hill Capital offers recommendations and advice to Clients to help them compound their assets at attractive rates of return while minimizing the chance of permanent loss of capital. In doing so, we help Clients manage and optimize their existing investment portfolios; uncover, diligence, and select new investments that offer attractive risk/reward profiles given

their respective objectives; source alpha-focused investment opportunities; and drive thematic initiatives for their portfolios.

We focus primarily on recommending to and analyzing for our Clients a range of “alternative investments,” including but not limited to direct, limited partnership, or general partnership investments in hedge funds; private equity; venture capital; real estate; and other strategies. As opportunities warrant, and when consistent with the objectives and guidelines set forth in a Client’s IMA, we also advise on a range of public securities investments and other private investments. We expect that our investment recommendations and advice will span various asset classes; geographies; structures; and strategies. When possible, we strive to provide recommendations and advice on unique investment opportunities that may serve both as significant sources of return and diversification for Clients.

We take an opportunistic approach when evaluating potential investments, with a focus on identifying those for which the return relative to risk is meaningfully mispriced. We believe that attractive areas of investment change over time. As such, we intend to target an unconstrained investment universe that enables adaptation to changing opportunity sets and will pursue investments we believe will produce attractive risk-adjusted returns across a wide array of strategies, markets, and structures.

Risk Management

Our investment recommendations may be speculative and entail potential substantial financial risks. We intend to focus on mitigating risk through the quality of our investment process and monitoring of investments. We may offer Clients additional advice or recommendations on risk and portfolio management, as needed.

Risk of Loss Factors

Many of our investment recommendations may entail significant risks and may be suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have expressed an interest in investments with these risks in their investment management agreement. There can be no assurances that we will achieve investment objectives for our clients. Each Client should carefully review each recommendation provided by Bell Hill Capital.

Advice and Recommendations Only

Bell Hill Capital provides advice and recommendations only. Clients have full discretion whether to follow such advice and recommendations. As a result, Clients’ separately managed accounts may deviate from the stated objectives and guidelines set forth in their respective investment management agreements if they choose, in their sole discretion, to undertake actions different from our advice. This may expose Clients to adverse scenarios including, but not limited to, the risk of loss, undesirable concentration, illiquidity, and other unwanted risks.

Novel and Complex Investments

Investments may be difficult for Clients to understand or outside of their normal areas of expertise and comfort. We expect to recommend investments in securities, structures, companies, strategies, geographies, and markets that are often complex and may be novel to our Clients. We believe complexity and novelty are meaningful drivers of inefficiencies and

offer more favorable risk and return profiles. However, investments in such opportunities may also entail increased risk and uncertainty relative to more standard investments. With fewer past outcomes to judge by, we may be constrained in our ability to predict and analyze potential outcomes for these investments.

Investment in Illiquid Securities

We expect to recommend investments in illiquid securities across public and private markets, limited and general partnerships, and other investment structures with limited available liquidity. There may be little or no market to sell or realize these investments at a price commensurate with what Clients perceive to be their fair value. Additionally, the timing of any substantial liquidity event or realization of such investments is highly uncertain and may not align with Clients' expectations.

Illiquid investments are difficult to value. There may be no readily available market for such investments for valuation purposes. In the event third-party valuation is available for an investment, there is no guarantee that such valuation will represent the value that will be realized by Clients on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

Limited and General Partnerships Risk

We expect to recommend investments in limited partnerships, general partnerships, and special purpose vehicles. There is often no market for the sale or resale of these interests, and Clients may be otherwise prohibited from doing so. Such investments are generally only suitable for sophisticated clients and may entail significant risks or illiquidity as well as high fees charged by investment managers. Clients should always read partnership documents and offering memoranda to ensure they understand the associated risks with such investments.

Hedge Funds Risk

We expect to recommend investments in the limited partnerships and general partnerships of hedge funds. Hedge fund investments may be highly speculative and entail risks beyond the underlying assets that the funds invest in. Although hedge funds often seek to reduce risk relative to investments in their underlying markets, investments in hedge funds may fail to meet this objective. Hedge funds may use significant leverage and are subject to risks not only of their respective strategies but also of markets more broadly. While hedge funds often have stated strategies and areas of concentration, many have the ability to make investments well beyond their target strategies and may incur losses from doing so. Hedge funds are often illiquid by nature, and in some instances may not be able to meet stated liquidity terms. In certain scenarios, fund documents may permit investment managers significant discretion to make decisions that may run counter to investors' interests. Hedge funds typically charge high fees which may reduce Clients' net returns.

Private Equity Risk

We expect to recommend private equity investments, both directly through the purchase of securities in companies and indirectly through interests in limited partnerships, general partnerships, and special purpose vehicles. Private equity investments are highly speculative and may risk the loss of some or all of a Client's investment. Private equity-backed companies often operate in highly competitive industries. Companies may lack the right products,

technology, leadership, financing, marketing, or other critical components of success. Private equity investments may incur significant risk of leverage that can harm investment returns and potential lead to the loss of principal. Additionally, private equity investments are generally illiquid and may not provide Clients with opportunities for liquidity at preferred times or at preferred values. Indirect private equity investments typically entail high fees that may reduce Clients' net returns.

Venture Risk

We expect to recommend venture capital investments, both directly through the purchase of securities in companies and indirectly through interests in limited partnerships, general partnerships, and special purpose vehicles. Many venture investments entail investments in start-ups or early-stage companies. Early-stage companies are high risk and many of them fail, leading to substantial or total losses of investments to investors. The industries in which many start-ups operate are very competitive. Companies may lack the right products, technology, leadership, financing, marketing, or other critical components of success. While venture investments typically target high rates of return to compensate for these risks, returns may not be adequate or realized at all. Additionally, the timing of returns on venture investments is inherently uncertain and, even when investments are successful, the realization of proceeds may be subject to numerous exogenous factors outside of a company's or investment vehicle's control. Indirect venture investments typically entail high fees that may reduce Clients' net returns.

Real Estate Risk

We may recommend real estate investments, including debt, equity, or hybrid securities structures and made either directly or through limited or general partnerships. The value of real estate securities and investments may decline due to poor execution in the development and management of properties, exposure to poorly performing sectors or population demographics, suboptimal location of assets, or inefficient use of the assets. Local laws or zoning restrictions may prohibit the most effective uses of assets and impair their value. Such investments may also expose Clients to interest rate and refinancing risk as well as other macro factors outside the scope of individual properties or investment vehicles. Real estate investments are speculative in nature and involve substantial risk of loss. Many real estate investments use significant leverage, amplifying potential investment returns but also increasing the risk and potential magnitude of investment losses. Additionally, real estate investments are generally illiquid and may not provide Clients with opportunities for liquidity at preferred times or at preferred values. Indirect real estate investments made through funds or partnerships typically entail high fees that may reduce Clients' net returns.

Equity Risk

The market price of securities we recommend may go up or down, sometimes rapidly or unpredictably. A risk of the Firm's advice is that the equity securities recommended will decline in value due to factors affecting equity securities markets generally or particular industries represented in those markets. The values of equity securities may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other

risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding or other taxes, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which we believe are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame we anticipate.

Investment in Non-U.S. Securities

We may recommend non-U.S. securities. Such investments may be subject to a greater risk than U.S. investments due to non-U.S. economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, capital gains, or other income, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities and other factors beyond our control.

Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting, reporting or disclosure requirements than U.S. issuers. The securities markets of some countries in which we may invest have substantially less volume than those in the United States, and securities of certain companies in these countries are less liquid and more volatile than securities of comparable U.S. companies. Accordingly, these markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities, than is usual in the United States.

Currency Risk

We may recommend investments that are not denominated in the U.S. dollar and which are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Officials in foreign countries may, from time to time, take actions in respect of their currencies that could significantly affect the value of our assets denominated in those currencies or the liquidity of such investments. A foreign government may also limit the convertibility or repatriation of our currency or assets denominated in that currency. We may recommend a Client invest in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts, or any combination thereof for hedging purposes, but there can be no assurance that such strategies will be effective.

Short Sales

We may recommend short selling of securities, currencies or indices, including all forms of derivatives. A short sale will result in a gain if the price of the instrument sold declines sufficiently between the time of the short sale and the time at which another is purchased to replace it. A short sale will result in a loss if the price of instrument sold short increases or does not decline sufficiently to cover transaction costs. Short sales on equities may expose us to theoretically unlimited losses, due to the lack of an upper limit on the price to which an investment can rise. Any gain would be decreased, and any loss would be increased by the amount of any premium or interest which we may be required to pay with respect to the borrowed instrument.

In addition, purchasing securities or currencies to close out a short position can itself cause the price of the securities or currencies to rise further, thereby exacerbating a loss. Under adverse market conditions, it may be difficult to purchase securities or currencies to meet short sale delivery obligations. If a request for return of borrowed securities and/or currencies occurs at a time when other short sellers of the securities and/or currencies are receiving similar requests, a “short squeeze” can occur, potentially compelling replacement of borrowed securities and/or currencies previously sold short with purchases on the open market at a disadvantageous time, possibly at prices in excess of the proceeds received in originally selling the securities and/or currencies short.

Concentration of Investments

Depending on each Client’s objectives, we may not consider concentration or sizing within a Client’s overall portfolio when making recommendations or providing advice. As such, a Client’s assets may not be diversified and, if their assets are concentrated in a particular company, industry, sector, geography or similar category, they may be subject to an increased risk of loss if there was a decline in the market value in any security or investment in which they have invested a large percentage of their assets or there are adverse consequences to such industry, sector, geography or other group of companies.

Fixed-Income Securities

We may recommend an investment in bonds or other fixed-income securities, including, without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) debt securities. Such securities may be below “investment grade” and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer’s inability to make timely interest and principal payments. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than higher rated securities. Companies that issue lower rated debt securities often are highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could affect adversely the ability of the issuers of such securities to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities.

Corporate Debt

We may recommend corporate debt securities or other corporate debt instruments. These securities and instruments are subject to the risk of the issuer’s inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities or instruments can be expected to decline. Debt securities or instruments with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

High Yield Securities

We may recommend investments in “high yield” debt and preferred securities which are rated lower than investment grade by the various credit rating agencies (or in comparable non-rated securities). Securities that are rated lower than investment grade are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Original Issue Discount, Zero Coupon and Deferred Interest Rate Bonds

We may recommend investments in original issue discount, zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

Convertible Securities

We may recommend investments in convertible securities, which are debt securities or preferred equity securities that are exchangeable for other debt or equity securities of the issuer at a predetermined price. Convertible securities entitle the holder to receive interest payments paid on corporate debt securities or the dividend preference on preferred equity securities until such time as the convertible security matures or is redeemed or until the holder elects to exercise the conversion privilege. As a result of the conversion feature, convertible securities typically offer lower interest rates than if the securities were not convertible. It is possible that the potential for appreciation on convertible securities may be less than that of a common stock equivalent.

Distressed Securities

We may recommend investments in the securities and obligations of distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments and the amount of any recovery may be affected by the relative security of our investment in the capital structure of the issuer. In addition, distressed investments are

more likely to be challenged as fraudulent conveyances and amounts paid on the investment may be subject to avoidance as a preference under certain circumstances.

Risks Associated with Investments in Restructured Companies

We may recommend investments in securities of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in significant returns, they involve a substantial degree of risk. Any one or all of the issuers of the securities in which we invest may not show any return for a considerable period of time, if ever. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that we will correctly evaluate the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which we recommend an investment, there is risk of loss of the entire investment or accepting cash or securities with a value less than the original investment.

Risks of Derivative Instruments

We may recommend a variety of derivative transactions. A derivative is a financial contract the market value of which depends upon, or is derived from, the value of underlying assets, reference rates or indices. Derivatives may relate to securities, commodities, currencies, currency exchange rates, interest rates, inflation rates and related indices, and include futures, non-U.S. currency contracts, swap contracts, options on securities and indices, options on futures contracts, options on swap contracts, forward contracts, contracts for differences, interest rate caps, floors and collars, repurchase or reverse repurchase agreements and other over-the-counter contracts. We may recommend the use of derivatives for many purposes, including as a substitute for direct investment, as a way to adjust exposure to various securities, markets and currencies without actually having to sell existing investments and/or make new investments, and as a means to hedge other investments and to manage liquidity and excess cash.

Availability of Investment Strategies

The success of our investment recommendations will depend on our ability to identify attractive investment opportunities. Identification and execution of the investments we evaluate involves a high degree of uncertainty. No assurance can be given that we will be able to identify suitable investment opportunities for Clients or for the scope of each separately managed account.

Exchange Traded Funds ("ETFs")

We may recommend investments in exchange-traded funds ("ETFs"). ETFs are hybrid investment companies that may be registered as open-end investment companies or unit investment trusts ("UITs") but possess some of the characteristics of closed-end funds. ETFs typically hold a portfolio of common stocks that is intended to track the price and dividend performance of a particular index. Common examples of ETFs include S&P Depositary Receipts ("SPDRs"), Vanguard ETFs and iShares, which may be purchased from the UIT or investment company issuing the securities or in the secondary market (SPDRs, Vanguard ETFs and iShares are predominantly listed on the NYSE Arca). The market price for ETF shares may be higher or lower than the ETF's net asset value. The sale and redemption prices of ETF shares purchased

from the issuer are based on the issuer's net asset value. Investments in ETFs entail certain additional risks. Investments in ETFs involve the risk that the ETF's performance may not track the performance of the index (if any) the ETF is designed to track. Unlike an index, an ETF incurs administrative expenses and transaction costs in trading securities. In addition, the timing and magnitude of cash inflows and outflows from and to investors buying and redeeming shares in the ETF could create cash balances that cause the ETF's performance to deviate from the index (which remains "fully invested" at all times). Performance of an ETF and the index it is designed to track also may diverge because the composition of the index and the securities held by the ETF may occasionally differ. In addition, ETFs often use derivatives to track the performance of the relevant index and, therefore, investments in those ETFs are subject to the same derivatives risks discussed above.

Depository Receipts

We may recommend investments in American Depositary Receipts ("**ADRs**"), Global Depositary Receipts ("**GDRs**") and European Depositary Receipts ("**EDRs**") or other similar securities representing ownership of non-U.S. securities (collectively, "**Depository Receipts**") if issues of such

Depository Receipts generally evidence an ownership interest in a corresponding non-U.S. security on deposit with a financial institution. Transactions in Depository Receipts usually do not settle in the same currency as the underlying securities are denominated or traded. Generally, ADRs are designed for use in the U.S. securities markets and EDRs are designed for use in European securities markets. GDRs may be traded in any public or private securities market and may represent securities held by institutions located anywhere in the world. GDRs and other types of Depository Receipts are typically issued by non-U.S. banks or trust companies, although they may be issued by U.S. financial institutions, and evidence ownership interests in a security or pool of securities issued by either a non-U.S. or a U.S. corporation.

Because the value of a Depository Receipt is dependent upon the market price of an underlying non-U.S. security, Depository Receipts are subject to most of the risks associated with investing in non-U.S. securities directly. Depository Receipts may be issued as sponsored or unsponsored programs.

Significant Positions in Securities; Regulatory Requirements

We may recommend that a Client acquire a significant stake in certain issuers of securities. If such stakes exceed certain percentage or value limits, the Client may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens. Any such requirements may impose additional costs on the Client and may delay the acquisition or disposition of the securities or the Client's ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, "position limits" may be imposed by various regulators that may limit a Client's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. If at any time positions recommended by us were to exceed applicable position limits, the Client may be required to liquidate positions. Further, to avoid

exceeding any position limits, we may advise or recommend that a Client forego or modify certain contemplated trades.

Lack of Liquidity in Markets

The markets for many securities and other investments are thinly traded from time to time. This lack of liquidity and market depth could disadvantage our Clients, both in the realization of the prices which are quoted and in the execution of orders at their desired prices or in their desired quantities. Also, U.S. and non-U.S. securities exchanges and the SEC and other regulatory authorities have authority to suspend trading in a particular security without notice.

Leverage

We may recommend, or a Client may undertake of their own volition, an investment utilizing leverage. Such actions may include Clients engaging in trading on margin by borrowing funds and pledging securities as collateral. While such use of borrowed funds increases returns if the Client earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns if the Client fails to earn as much on such incremental investments as it pays for such funds. The effect of leverage may therefore result in a greater decrease in the net asset value of funds than if the Client were not so leveraged. Any use by Clients of short-term margin borrowings will result in certain additional risks. For example, the securities pledged to brokers to secure margin accounts could be subject to a "margin call," pursuant to which the Client would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. A sudden, precipitous drop in value of the assets accompanied by corresponding margin calls could force the Client to liquidate assets quickly, and not for what the Client perceives to be their fair value, in order to pay off margin debt. In addition, we may recommend certain derivative transactions which implicitly contain leverage and subject the Client to the same risks discussed above.

Other Instruments and Future Developments

We may recommend opportunities in the area of swaps, options on various underlying instruments and swaptions and certain other customized "synthetic" or derivative investments in the future. In addition, we may recommend opportunities with respect to certain other "synthetic" or derivative instruments which are not presently contemplated for use or which are currently not available, but which may be developed to the extent such opportunities are both consistent with Clients' investment objectives and legally permissible. Special risks may apply to these investments in the future.

Options

We may recommend investments in options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below

the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. Over-the-counter options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

Swaps

We may recommend swaps and other derivative transactions. Notional amounts of swap transactions may not be subject to any limitations, and swap contracts may expose Clients to unlimited risk of loss. Swaps may be used as an alternative to futures contracts. To the extent we recommend repos, swaps, forwards, futures, options and other “synthetic” or derivative instruments, counterparty exposures can develop and expose Clients to the risk of non-performance by the other party on the contract. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. In the international securities markets, the existence of less mature settlement structures and systems can result in settlement default and exposure to counterparty credits.

Futures Risks

A futures contract is an agreement to buy or sell a specific amount of a commodity, currency or financial instrument at a particular price on a stipulated future date. The price is established through an organized exchange and the contracts are exchange-traded. We may recommend investments in futures contracts on, among other things, financial instruments (such as a U.S. government security or other fixed income security), individual equities (“single stock futures”), securities indices, interest rates, currencies, inflation indices, commodities and commodities indices. If a Client purchases a futures contract, they incur an obligation to take delivery of a specified amount of the obligation underlying the futures contract at a specified time in the future for a specified price. If a Client sells a futures contract, they incur an obligation to deliver a specified amount of the obligation underlying the futures contract at a specified time in the future for an agreed-upon price. The purchase of futures contracts can serve as a long hedge, and the sale of futures contracts can serve as a limited short hedge. The purchase and sale of futures contracts also may be used for speculative purposes.

Investment in Futures Contracts involves Risk

A purchase or sale of futures contracts may result in losses in excess of the amount invested in the futures contract. If a futures contract is used for hedging, an imperfect correlation between movements in the price of the futures contract and the price of the security, currency, or other investment being hedged creates risk. Correlation is higher when the investment being hedged underlies the futures contract. Correlation is lower when the investment being hedged is different than the security, currency, or other investment underlying the futures contract, such as when a futures contract on an index of securities or

commodities is used to hedge a single security or commodity, a futures contract on one security (e.g., U.S. Treasury bonds) or commodity (e.g., gold) is used to hedge a different security (e.g., a mortgage-backed security) or commodity (e.g., copper), or when a futures contract in one currency is used to hedge a security denominated in another currency.

In the event of an imperfect correlation between a futures position and the portfolio position (or anticipated position) intended to be hedged, a Client may realize a loss on the futures contract at the same time as the Client is realizing a loss on the portfolio position intended to be hedged. To compensate for imperfect correlations, we may recommend the purchase or sale of futures contracts in a greater amount than the hedged investments if the volatility of the price of the hedged investments is historically greater than the volatility of the futures contracts. Conversely, we may recommend the purchase or sale of fewer futures contracts if the volatility of the price of the hedged investments is historically less than that of the futures contract. The successful use of transactions in futures contracts and related options for hedging also depends on the direction and extent of exchange rate, interest rate, and asset price movements within a given time frame.

There is no guarantee that a Client will be able to enter into an offsetting closing transaction for a purchased or sold futures contract, by selling or purchasing, respectively, an instrument identical to the instrument purchased or sold. In addition, under certain circumstances, futures exchanges may establish daily limits on the amount that the price of a futures contract can vary from the previous day's settlement price, thereby effectively preventing liquidation of unfavorable positions. It is also possible that an exchange or governmental authority may suspend or restrict trading on an exchange or in particular securities or other instruments traded on the exchange. If a Client is unable to liquidate a futures position due to the absence of a liquid secondary market or the imposition of price limits or other restrictions, they could incur substantial losses. Furthermore, the Client would continue to be subject to market risk with respect to the position.

When permitted by applicable law, we may recommend the purchase or sale of futures contracts on non-U.S. exchanges or similar entities, which are not regulated by the CFTC and may not be subject to the same degree of regulation as the U.S. contract markets. Additional or different margin requirements as well as settlement procedures may apply to certain non-U.S. futures.

Tax Consequences

Bell Hill Capital does not provide tax advice to Clients. Although we may make recommendations in accordance with Clients' stated tax profiles or desires (e.g., recommending investments or securities whose profits are likely subject to long-term capital gains), actual tax considerations from recommended investments may not adhere to Clients' tax objectives. Clients should consult their own tax experts for advice.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the Clients' or a prospective Client's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

The Firm is not registered as a broker-dealer and does not have any application pending to register with the SEC as a broker-dealer.

We currently plan to claim an exemption from registration pursuant to CFTC Rule 4.13(a)(3) based on our trading of a *de minimis* level of commodity interests.

We do not recommend or select other investment advisers for our Clients.

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

Code of Ethics

Bell Hill Capital has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place Clients’ interests first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Personal Securities Trading

Employees are not permitted to trade single name securities, including but not limited to: equity securities, options on equities, publicly traded bonds or other fixed income or debt investments (including derivatives), futures or commodities, without pre-approval from the CCO. Pre-approved purchases in employee personal accounts may be subject to minimum holding periods. Employees are permitted to liquidate positions held at the time of employment (a “**Liquidating Trade**”) subject to pre-clearance by the CCO. Employees are prohibited from participating in Initial Public Offerings (“**IPOs**”) without written consent from the CCO. Employees are also prohibited from personally, or on behalf of the Clients, purchasing or selling securities that appear on the Firm’s Restricted List.

Employees must obtain pre-approval from the CCO before: (i) making a Liquidating Trade; (ii) engaging in any outside business activities that may present a conflict with the employees’ duties at the Firm; or (iii) making any private investments.

We will provide a copy of our Code of Ethics to our investors, or any prospective investor or client, upon request, to be viewed on the premises.

Participation or Interest in Client Transactions

We will never recommend purchases of any securities for our (including employees of the Firm) own accounts from, or sell any securities for our own accounts to, the Clients. We will inform each new potential investor of our relationship with the Clients prior to the new investor's investment, but we will not advise potential investors about the specifics of the Firm's other Clients.

We disclose these, and other potential conflicts of interest, where appropriate.

Item 12: Brokerage Practices

Bell Hill Capital is not authorized to determine the broker-dealer to be used for executing securities transactions for its Clients.

Best Execution

We provide non-discretionary trading recommendations and as such will remind our Clients about best execution but have no direct involvement in enforcing the requirements with our Clients.

Soft Dollars

Since we provide advice on a non-discretionary basis to separately managed accounts, we do not use Soft Dollars at this time.

Item 13: Review of Accounts

Our portfolio manager continuously monitors and analyzes the transactions, positions, and investment levels of our Clients to ensure that they conform with the investment objectives and guidelines that are stated in the Clients' investment management agreements. In these reviews, we pay particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each Client's portfolios. Such reviews are conducted by our Chief Investment Officer.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

We provide non-discretionary securities recommendations and at this time, do not have custody of our Clients' assets.

Item 16: Investment Discretion

We will have full non-discretionary authority to make recommendations to our Clients with respect to which securities are bought and sold.

Item 17: Voting Client Securities

We provide non-discretionary securities recommendations and at this time, do not have access to the proxy voting requirements of our Clients.

Item 18: Financial Information

Bell Hill Capital is not aware that it is required to include a balance sheet for our most recent fiscal year, is not aware of any financial condition reasonably likely to impair our ability to meet contractual obligations to our Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.