

Night Owl Capital Management, LLC

FORM ADV PART 2A – DISCLOSURE BROCHURE

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This disclosure brochure provides clients with information about the qualifications and business practices of Night Owl Capital Management, LLC, an independent investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). It also describes the services Night Owl Capital Management, LLC provides as well as background information on those individuals who provide investment advisory services on behalf of Night Owl Capital Management, LLC. Please contact Eileen Ohnell, President and Chief Compliance Officer of Night Owl Capital Management, LLC, at 203-302-3870 if you have any questions about the contents of this disclosure brochure.

The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that Night Owl Capital Management, LLC or any individual providing investment advisory services on behalf of Night Owl Capital Management, LLC possess a certain level of skill or training. Additional information about Night Owl Capital Management, LLC is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Night Owl Capital Management, LLC is 106030.

Item 2 – Material Changes

This item discusses specific material changes to the Night Owl Capital Management, LLC disclosure brochure.

Pursuant to current SEC Rules, Night Owl Capital Management, LLC will ensure that clients receive a summary of any materials changes to this and subsequent brochures within 120 days of the close of the firm's fiscal year which occurs at the end of the calendar year. Night Owl Capital Management, LLC may further provide other ongoing disclosure information about material changes as necessary.

Night Owl Capital Management, LLC also provides clients with a new brochure as necessary based on changes or new information, at any time, without charge.

Since the date of its last annual filing (March 20, 2020), Night Owl Capital Management, LLC has made the following material changes to this disclosure brochure:

Item 5 – Fees and Compensation

Night Owl Capital Management, LLC has updated its fee schedule.

Item 7 – Types of Clients

Night Owl Capital Management, LLC has increased its minimum account size requirement for new clients to \$10,000,000.

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Item 4 – Advisory Business

A. The Company

Based in Greenwich, Connecticut, Night Owl Capital Management, LLC (“Night Owl Capital” or the “Company”), is an independent, privately-held Delaware limited liability company that has been an SEC-registered investment adviser since 1993. The Company changed its name from Southfield Investment Management, LLC in October of 2011.

The principal owners of the Company are John Kim and Eileen Ohnell.

B. Advisory Services

Night Owl Capital provides investment management services to both separately managed accounts and private investment funds (e.g., hedge funds).

Separately Managed Accounts

Night Owl Capital provides investment management services for high net worth individuals and institutions. Following the investment philosophy outlined in the section “Our Investment Philosophy” (see below), Night Owl Capital manages separate investment accounts for clients. While most client portfolios will match the Company’s “model” portfolio, some portfolios may differ depending on the individual circumstances of a client. For example, some clients may require a fixed income allocation as part of their portfolios.

Night Owl Capital will also at times manage investment accounts on a non-discretionary basis.

Private Investment Funds

Important Note: Private investment funds advised by Night Owl Capital are not offered or sold to the public. They are accessible only to investors who are “Accredited Investors” as defined in Regulation D under the Securities Act of 1933, who receive a confidential private placement memorandum issued by the fund and who ultimately become parties to the limited partnership agreement governing operation of the fund.

Night Owl Capital is the investment manager of Night Owl Partners, LP (the “Partnership”). Please see the “Investment Strategies” section of this disclosure brochure for additional information regarding the investment objectives, types of investments and risk exposures of Night Owl Partners, LP.

The terms and conditions for participation in Night Owl Partners, LP, including management fees, conflicts of interest and risk factors, are set forth in the fund’s offering documents, which each prospective investor shall receive, and be required to complete and submit certain portions thereof to Night Owl Capital in order to demonstrate qualification for a fund investment.

Investment Philosophy

Night Owl Capital makes concentrated, long-term public equity investments in growing companies. The strategy is focused on finding world-class businesses whose earnings power the investment team can forecast with confidence for multiple years into the future. The strategy invests primarily

in mid-cap and large-cap companies across geographies, although the majority of portfolio companies are in the U.S.

Throughout the Company's history, Night Owl Capital has followed the same investment principles:

Invest in High Quality Companies

The investment team focuses on identifying companies with superior long-term earnings growth potential. When evaluating companies, we spend our time forecasting earnings power 3-5 years into the future instead of predicting earnings for the next quarter or year. We take this long-term view because the value of a stock depends far more on a company's future cash flows than on its current performance.

The investment team hones in on industries and companies that are experiencing secular tailwinds or transformations that allow us to develop a high level of confidence in our ability to forecast their futures. We often find companies that meet this threshold when there is a systemic change in a business or industry with clear beneficiaries.

The investment team searches for superior businesses with proven business models that have unique, enduring franchises with sustainable competitive advantages. These businesses must have attractive growth opportunities – companies capable of growing their intrinsic value for a number of years. Finally, we want our companies to have disciplined management teams that allocate capital wisely.

Wait for an Attractive Valuation

Once the investment team identifies a business that warrants additional research, we estimate the company's intrinsic value based on a discounted free cash flow analysis. We then wait for the market to provide us an opportunity to buy shares below this intrinsic value. We are willing to be patient. We believe that valuation discipline will result in superior results over the long term and better downside protection for our investors.

Use Concentrated Portfolios

Given our stringent requirements, only a limited number of companies meet the strategy's investment criteria. As a result, our portfolio tends to be concentrated typically holding 15-25 companies at one time but can hold fewer or more names at the Portfolio Manager's discretion. The strategy does not have a standard position size. Instead, the Portfolio Manager sizes positions based on our estimate of the dispersion of possible outcomes and not based on expected return. The largest portfolio positions can exceed 10%, but the average position is about 4-5%.

Invest for the Long Term

We are long-term investors. Given our selective investment criteria, once we find a company we like, we tend to hold it for a long time. We believe that the best way to build wealth is to find great businesses and hold them while they grow and prosper. This long-term investment horizon results in low portfolio turnover and low trading and tax expenses. Notwithstanding the strategy's long-term investment horizon, we will sell a position if we foresee a deterioration in the company's fundamentals and/or its valuation is far above our view of its intrinsic value.

Investment Team

The Night Owl Capital investment team consists of the following professionals:

John S. Kim
Portfolio Manager

Mr. Kim graduated from Yale University *magna cum laude* with a BA in Ethics, Politics and Economics in 1995. Mr. Kim also received his J.D. from Yale Law School in 2000. Mr. Kim has served as Managing Director of Night Owl Capital since 2003. Prior to that, Mr. Kim was an Associate in the Mergers & Acquisitions Department of Morgan Stanley from 2000 to 2003. He also served as an Equity Analyst at J. Bush & Co. from 1999 to 2000 and as a consultant at Mercer Management Consulting from 1995 to 1997. Mr. Kim is married to Eileen Ohnell.

Charlie Gao
Analyst

Mr. Gao graduated from the University of Pennsylvania with a B.S. in Electrical Engineering, *magna cum laude*. Mr. Gao has been an Analyst at Night Owl Capital since 2014. Prior to joining the firm, Mr. Gao worked at The Blackstone Group as an analyst in their alternative asset management group.

Andrew Sherlock
Analyst

Mr. Sherlock graduated from Yale University with a B.S. in Mathematics and Economics. Mr. Sherlock has been an Analyst at Night Owl Capital since 2017. Prior to joining the firm, Mr. Sherlock was a Summer Analyst at Goldman Sachs in their options research group and Rockefeller & Co. in their global healthcare strategies group.

Eileen Ohnell
President and Chief Compliance Officer

Ms. Ohnell graduated from Princeton University in 1995 with an A.B. in history, cum laude, and is a CFA charterholder. Ms. Ohnell has served as President and Chief Compliance Officer of Night Owl Capital since 2019. Immediately prior to joining the firm, Ms. Ohnell was the Director of Research and a Managing Director at Ionic Capital Management, which she joined at launch in 2006. From 2000-2005, Ms. Ohnell was a Vice President and senior analyst at Highbridge Capital Management working with the team that started Ionic. Ms. Ohnell's previous experience includes working as an equity analyst at Night Owl Capital (when it was called Southfield), writing research for Renaissance Capital and as a consultant at Mercer Management Consulting (now Oliver Wyman). Ms. Ohnell is married to John Kim.

C. Client Tailored Services and Client Imposed Restrictions

Separately Managed Accounts

In order to provide appropriately individualized services, Night Owl Capital will request that each client provide Night Owl Capital with information regarding the client's financial circumstances, investment objectives, risk profile and other information regarding the client's financial and investment needs.

At least annually, Night Owl Capital requests that clients notify Night Owl Capital if their financial circumstances, investment objectives and/or risk profile have changed. In order for Night Owl Capital to provide effective investment management services, it is critical that clients provide accurate and complete information to Night Owl Capital and inform Night Owl Capital anytime such information needs to be updated or anytime there is a change in their financial circumstances, investment objectives and/or risk profile.

Generally, clients are permitted to impose reasonable restrictions on investing in certain securities or types of securities in their advisory accounts, provided, however, that some restrictions may not be accommodated when utilizing Exchange Traded Funds or mutual funds. In addition, a restriction request may not be honored if it is fundamentally inconsistent with Night Owl Capital's investment philosophy, runs counter to the client's stated investment objectives, or would prevent Night Owl Capital from properly servicing client accounts. Whether clients will be able to place reasonable restrictions on the types of investments which will be made on the client's behalf is at the sole discretion of Night Owl Capital.

Private Investment Fund

Because of the "pooled" nature of private investment funds, clients may not impose restrictions on investments in certain securities or types of securities.

D. Wrap Fee Programs

Under a wrap fee program, advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and transaction services (*e.g.*, execution of trades) are provided for one fee. These portfolio solutions are generally pre-configured with limited flexibility, which are different from traditional investment management programs whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis.

Night Owl Capital does not offer clients the option of investing in a wrap-fee program.

E. Assets Under Management

As of December 31, 2020, the total amount of client assets managed by Night Owl Capital is approximately \$1,103,944,000. Of this total amount, \$628,699,000 of client assets are managed on a discretionary basis and \$475,245,000 of client assets are managed on a non-discretionary basis.

Item 5 – Fees and Compensation

A. Advisory Fees

Separately Managed Accounts

The annual fee for Night Owl Capital's separately managed account services will be charged as a percentage of assets under management. Client accounts are charged a fee based on an annualized rate of 1.25% for the first \$25 million and 1.0% on assets over \$25 million. Night Owl Capital has had fee schedules and account minimums that differ from the ones currently in place and still manages accounts under these arrangements. For new accounts that do not meet our current minimums, Night Owl Capital may negotiate different fees schedules. As a result, some clients may have fee arrangements that differ from the fee schedule described above.

Fees are paid quarterly in advance and are calculated and assessed after the end of each calendar quarter based on the market value of an account on the last business day of the preceding quarter. The market value is as reflected in the custodian's statement as of the end of the quarter plus any accrued interest on fixed income securities. In the event the account custodian cannot provide a market value, Night Owl Capital will determine the asset's fair market value. Fees will be adjusted if there are additions or withdrawals during the first sixty days of the quarter of assets equal to 15% or more of the total value of the account on the date of the addition or withdrawal. Such fees will be calculated based on the annualized rate according to the fee schedule agreed to in the investment management agreement, the number of days remaining in the quarter on the date of the addition or withdrawal and the amount of the assets added or withdrawn, and will be assessed or credited, as applicable, in the quarter following the quarter in which the addition or withdrawal was made.

Private Investment Fund

Night Owl Capital acts as investment adviser for Night Owl Partners, LP, a private investment fund organized as a pooled investment vehicle and charges an asset-based management fee of 1.0% per year on assets under management. Additionally, an affiliate of Night Owl Capital serves as general partner of Night Owl Partners, LP. Asset based fees are generally payable on a quarterly basis in advance. Night Owl Capital in its capacity as investment adviser (or its affiliate in its capacity as general partner) for an investment vehicle, is reimbursed for allocable legal, accounting and administrative expenses that are directly related to such investment vehicle or such investment vehicle's investments.

An investor in Night Owl Partners, LP must be an "accredited investor" as defined in Regulation D under the Securities Act.

The terms and conditions for participation in Night Owl Partners, LP, including management and performance allocation, conflicts of interest and risk factors, are set forth in the fund's offering documents, which each prospective investor shall receive, and be required to complete and submit certain portions thereof to Night Owl Capital in order to demonstrate qualification for a fund investment.

B. Payment Methods

For Separately Managed Accounts fees are typically deducted directly from the client's account; provided, however, that Night Owl Capital will bill the client at the client's request.

Night Owl Partners, LP pays fees directly to Night Owl Capital.

Each month, the client will receive a statement directly from the qualified custodian showing all transactions, positions and credits/debits into or from the client's account.

C. Important Additional Fee Information

Fee Only

Night Owl Capital is compensated solely by fees paid by its clients and does not accept commissions or compensation from any other source (i.e., mutual funds, insurance products or any other investment product).

Fees Negotiable

Night Owl Capital retains the right to modify fees, including minimum account sizes, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the advisory services provided. In addition, Night Owl Capital has had fee schedules and account minimums that differ from the ones currently in place and still manages accounts under these arrangements. For new accounts that do not meet the current minimums, Night Owl Capital may negotiate different fees schedules. As a result of these factors, some clients may have fee arrangements that differ from the fee schedule described above.

Direct Debiting of Client Accounts

In order for Night Owl Capital's advisory fees to be directly debited from a client's account, the client provides written authorization (in Night Owl Capital's investment management agreement) permitting Night Owl Capital to bill the custodian. In addition, the account must be held by a qualified custodian and the qualified custodian must agree to send to the client an account statement on at least a quarterly basis. The account statement must indicate all amounts disbursed from the account including the amount of advisory fees paid directly to Night Owl Capital. Clients are informed that it is their responsibility to verify the accuracy of the fee calculation and that the account custodian will not determine whether the fee is properly calculated.

Mutual Fund Fees

All fees paid to Night Owl Capital for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of Night Owl Capital. In that case, the client would not receive the services provided by Night Owl Capital which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, the client should review both the fees charged by the funds and the fees charged by Night Owl Capital to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Trading and Other Costs

All fees paid to Night Owl Capital for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities and options. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see the section of this disclosure document entitled "Brokerage Practices" for additional information on brokerage and other transaction costs.

D. Termination and Refunds

The investment advisory contract may be terminated by either party upon seven days prior written notice. Upon termination, the prorated amount of any pre-paid fees for the remainder of the quarter

following termination will be refunded. Night Owl Capital will either credit the fee directly to the client account or send a check to the client for the amount of the refund.

E. Additional Compensation

Night Owl Capital does not receive any compensation for securities transactions in any client account, other than the investment advisory fees noted above.

Item 6 – Performance-Based Fees and Side-by-Side Management

Night Owl Capital does not charge performance-based fees (e.g., fees based on a share of capital gains on, or capital appreciated of, the assets in a client's account).

Item 7 – Types of Clients

A. Clients

Night Owl Capital provides investment advisory services to individuals (including high net worth individuals), trusts, estates, charitable organizations, corporations, other types of business entities and private investment funds organized as pooled investment vehicles (commonly known as “hedge funds”).

B. Engaging the Services of Night Owl Capital

Separately Managed Accounts

All clients wishing to engage Night Owl Capital for investment advisory services must sign an investment management agreement that governs the relationship with Night Owl Capital. The investment management agreement describes the services and responsibilities of Night Owl Capital to the client. It also outlines Night Owl Capital's fee in detail.

In addition to completing Night Owl Capital's internal documents (e.g., investment management agreement), clients must complete certain broker-dealer/custodial documentation. Upon completion of these documents, Night Owl Capital will be considered engaged by the client. A client has an ongoing responsibility for ensuring that Night Owl Capital is informed in a timely manner of changes in the client's investment objectives and risk tolerance.

Private Investment Fund

Investors in Night Owl Partners, LP will be required to complete a subscription agreement (including an investor questionnaire to determine their eligibility for investment in the fund) and become a party to the operating agreement that governs the operation of Night Owl Partners, LP.

C. Conditions for Managing Accounts

Separately Managed Accounts

Night Owl Capital requires new clients to have a minimum account of \$ 10,000,000 although Night Owl Capital retains the right to reduce or waive this minimum account size.

Private Investment Funds

The minimum capital contribution by a limited partner to Night Owl Partners, LP is \$1,000,000, subject to the discretion of the fund's general partner (an affiliate of Night Owl Capital) to accept lesser amounts.

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

A. Methods of Analysis and Investment Strategies

Investment Strategies

Separately Managed Accounts

Night Owl Capital's core strategy for its separately managed accounts is to invest in domestic and foreign equity securities that the Company believes will compound in value over a long-term investment horizon. Night Owl Capital may utilize different investment strategies including fixed income allocations as dictated by client needs.

Private Investment Partnerships

Night Owl Partners, LP, the private investment limited partnership managed by Night Owl Capital has a similar investment strategy as the separately managed accounts, but may at times employ strategies and pursue investment opportunities that Night Owl Capital deems unsuitable for its separately managed accounts. These strategies may include, but are not limited to, higher portfolio concentration, illiquid securities, short positions, leverage, "special situations" and derivatives.

Security Analysis

The security analysis method typically employed by Night Owl Capital is fundamental analysis. Fundamental analysis is a method of evaluating securities by attempting to measure the intrinsic value of a security. Fundamental analysis may include the study of the overall economy and industry conditions, the financial condition of a company, details regarding the company's product line, and the experience and expertise of the company's management. The resulting data is used to measure the value of the company's stock.

Sources of Information

In conducting security analysis, Night Owl Capital may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, inspection of corporate activities, corporate rating services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission and company press releases.

Types of Investments

Night Owl Capital will typically invest in a range of securities including, domestic and foreign equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal and United States government securities, mutual funds and options.

Investing Involves Risk

Investing in securities involves risk of loss that each client should be prepared to bear. The value of a client's investment may be affected by one or more of the following risks, any of which could

cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- *Limited Diversification.* A client's account may likely have limited diversification. There are no percentage limitations imposed by law or otherwise on the percentage of a client's assets that may be invested in the securities of any one issuer. To the extent that the client's account is concentrated in a few key industries, the risk of loss is greater than if the portfolio were invested in a more diversified manner among various sectors. In addition, although the diversification of the client's investments in a variety of securities is intended to reduce the client's exposure to adverse events associated with specific issuers, the number of client investments will be limited. As a consequence, the client's returns as a whole may be adversely affected by the unfavorable performance of even a single investment.
- *Economic and Market Risk.* The success of Night Owl Capital's investments may be affected by general economic and market conditions, such as economic cycles, poor equity markets, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the investments. Unexpected volatility or illiquidity could impair the investment's profitability or result in losses.
- *Fixed-Income Risk.* Night Owl Capital may invest in fixed-income securities. The value of fixed income securities will change in response to fluctuations in interest rates and applicable credit spreads, including general corporate credit spreads and industry and company-specific credit spreads. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. All other things being equal, when interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline. Night Owl Capital may invest in fixed-income securities of U.S. and non-U.S. issuers.
- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.
- *Allocation Risk.* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies

and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.

- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing an investment manager from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.
- *Issuer Specific Risk.* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.
- *Reinvestment Risk.* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Legal or Legislative Risk.* Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.
- *Socially Responsible Investing.* Investments may focus on "low carbon" or other areas of socially responsible investing. This investment category represents a relatively new area of investment with a relatively limited performance track record. Due to the consideration of non-monetary factors in investment decisions, these investments may experience a lower rate of return. There may be a relatively limited number of investments to consider in this investment category, and available investments may be subject to increased competition.
- *Large Investment Risks.* Clients may collectively account for a large portion of the assets in certain investments. A decision by many investors to buy or sell some or all of a particular investment where clients hold a significant portion of that investment may negatively impact the value of that the investment.

- Cybersecurity Risk.* The information and technology systems of Night Owl Capital and its affiliates, as well as of key service providers, including third-party vendors, central agents, exchanges, clearing houses, and other financial institutions (including the custodian), are vulnerable to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose Night Owl Capital to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While Night Owl Capital has established business continuity plans, incident response plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which Night Owl Capital invests, which could result in material adverse consequences for such issuers, and may cause a client's investment in such securities to lose value.
- Novel Coronavirus Pandemic, Public Health Emergency and Global Economic Impacts.* As of the date of this Form ADV Part 2A, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization declared a pandemic on March 11, 2020. The outbreak of COVID-19 has caused a worldwide public health emergency with a substantial number of hospitalizations and deaths, and has significantly adversely impacted global commercial activity and contributed to both volatility and material declines in equity and debt markets. The global impact of the outbreak is rapidly evolving, and many country, state and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closure or reduction of offices, businesses, schools, retail stores and other public venues and/or cancellation, suspension or postponement of certain events and activities, including certain non-essential government and regulatory activity. Businesses are also implementing their own precautionary measures, such as voluntary closures, temporary or permanent reductions in workforce, remote working arrangements and emergency contingency plans. Such measures, as well as the general uncertainty surrounding the dangers, duration and impact of COVID-19, are creating significant disruption in supply chains and economic activity, impacting consumer confidence and contributing to significant market losses, including having particularly adverse impacts on transportation, hospitality, tourism, sports, entertainment and other industries dependent upon physical presence. As COVID-19 continues to spread, potential additional adverse impacts, including a global, regional or other economic recession of indeterminate duration, are increasingly likely and difficult to assess.

The extent of the impact of COVID-19 on Night Owl Capital will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence

and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of the COVID-19 pandemic may materially and adversely impact Night Owl Capital's ability to source, manage and divest investments and Night Owl Capital's ability to achieve its investment objectives on a client's behalf, all of which could result in significant losses to a client.

In addition, COVID-19 and the resulting changes to global businesses and economies will, likely, adversely impact the business and operations of Night Owl Capital. Certain businesses and activities may be temporarily or permanently halted as a result of government or other quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors, including the potential adverse impact of COVID-19 on the health of key personnel.

- *Other Catastrophic Risks.* In addition to the potential risks associated with COVID-19 as outlined above, Night Owl Capital may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09 influenza, avian influenza, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. The extent of the impact of any such catastrophe or other emergency on Night Owl Capital's operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which Night Owl Capital participates (or has a material effect on any locations in which Night Owl Capital operates or on any of their respective personnel) the risks of loss could be substantial and could have a material adverse effect the ability of Night Owl Capital to fulfill its investment objectives.
- *Limitations of Disclosure.* The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in investments. As investment strategies develop and change over time, clients may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

B. Risks Associated with Investment Strategies and Methods of Analysis

Risks Associated with Investment Strategies

Long-Term Purchases

Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or your particular investments will decrease in value even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost (e.g., "locking-up" assets that may be better utilized in the short-term in other investments).

Options

Night Owl Capital typically does not buy or sell options for its separately managed accounts. Night Owl Capital may at times do so at the request of a client. The use of options involves a high degree of embedded leverage, which can involve greater market risk, especially when not used to hedge an underlying security. Accordingly, special risks are associated with the use of options. In addition to directional risks of the underlying securities, options are subject to fluctuations in the volatility of the underlying security and fluctuations in prevailing interest rates to a lesser extent. For options used in hedging, there can be no guarantee of a correlation between price movements in the option and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle so that the return might have been better had hedging not been attempted. In addition, a decision as to whether, when and how to use options involves the exercise of skill and judgment which are different from those needed to select portfolio securities, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. If Night Owl Capital is incorrect in its forecasts regarding market values, currency fluctuations, interest rate trends, or other relevant factors, the client may be in a worse position than if Night Owl Capital had not engaged in options transactions. Although Night Owl Capital is experienced in the use of options as an investment technique, this experience does not completely mitigate the risk that the potential loss incurred by the client in writing options is unlimited.

There also can be no assurance that a liquid market will exist at a time when Night Owl Capital seeks to close out an option position. Lack of a liquid market for any reason may prevent Night Owl Capital from liquidating an unfavorable position.

Leverage and Margin Transactions

Night Owl Capital typically does not buy securities on margin for its separately managed accounts. Night Owl Capital may at times do so at the request of a client. A client may use margin borrowing so long as, immediately after incurring such debt, the aggregate debt in the client's account does not exceed 50% of the market value of the client's total assets at that time. The use of margin borrowing is a speculative technique that involves special risk considerations. Interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. To the extent a client's account is leveraged, the value of its assets will tend to increase more when its portfolio securities increase in value, and to decrease more when its portfolio securities decrease in value, than if its assets were not leveraged. In addition, use of leverage by a client will increase the exposure of the client's investments to adverse economic factors such as rising interest rates, an economic downturn or deterioration in the value of such investments. As a result of an economic downturn or dislocations in the credit markets, as have occurred in recent years, a client may be unable to obtain the desired amount of leverage or may be required to liquidate investments if existing leverage facilities are withdrawn or reduced, either of which could have an adverse impact on the client's returns. While the margin borrowing limit is 50% of total assets, determined at the time of incurring the debt, that test is only applied at the time of a borrowing by the client. A client is not required to maintain on an ongoing basis aggregate debt at or below 50% of its total assets, so it is possible that, after the client incurs debt, the client's assets may deteriorate in value, in which case the client's aggregate debt may significantly exceed 50% of its total assets.

Initial Public Offerings

Night Owl Capital may purchase securities of companies in initial public offerings or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, illiquidity, lack of investor knowledge of the issuer, and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for Night Owl Capital to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospect of achieving them.

Risk Associated with Methods of Analysis

The analysis of securities requires subjective assessments and decision-making by experienced investment professionals, however, there is always the risk of an error in judgment. Night Owl Capital's securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While Night Owl Capital is alert to indications that data may be incorrect, there is always the risk that the firm's analysis may be compromised by inaccurate or misleading information.

Fundamental Analysis

Fundamental analysis, when used in isolation, has a number of risks:

- Information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- The data used may be out of date.
- It ignores the influence of random events such as oil spills, product defects being exposed, acts of God and so on.
- It assumes that there is no monopolistic power over markets.
- The market may fail to reach expectations of perceived value.

C. Risks Associated with Specific Securities Utilized

Common Stocks

The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the issuer's ability to create shareholder value (i.e., increase the value of the company's stock price).

Fixed-Income Securities

Different forms of fixed-income instruments, such as bonds, money market funds, and certificates of deposit may be affected by various forms of risk, including:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed-income securities are generally liquid (*e.g.*, corporate bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.
- *Credit Risk.* The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* With declining interest rates, investors may have to reinvest income or principal at a lower rate.
- *Duration Risk.* Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

Municipal Bonds

In addition to the risks set forth under “Fixed-Income Securities” above, municipal bonds are susceptible to events in the municipality that issued the bond or the security posted for the bond. These events may include economic or political policy changes, changes in law, tax base erosion, state constitutional limits on tax increases, budget deficits or other financial difficulties and changes in the credit rating assigned to municipal issues.

Commercial Paper and Certificates of Deposit

Commercial Paper and Certificates of Deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity, there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

Exchange Traded Funds (ETFs)

An ETF holds a portfolio of securities designed to track a particular market segment or index. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV.

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually

redeemed from the fund. There is also the risk that a manager may deviate from the stated investment mandate or strategy of the ETF which could make the holdings less suitable for a client's portfolio. ETFs may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. In addition, while many ETFs are known for their potential tax efficiency and higher "qualified dividend income" (QDI) percentages, there are assets classes within these ETFs or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of an ETF's portfolio, may be considered "non-qualified" under certain tax code provisions.

There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Mutual Funds - Equity Funds

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries.

In addition, there is the risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client's portfolio. Also, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

Mutual Funds - Fixed-Income Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also have the same risks as set forth under "Fixed-Income Securities" listed above.

Mutual Funds - Index Funds

Index Funds have the potential to be affected by "tracking error risk" which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a "sample index" that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher "qualified dividend income" (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund's portfolio, may be considered "non-qualified" under certain tax code provisions.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each client should understand and be willing to bear.

Clients are encouraged to discuss these risks with Night Owl Capital's investment adviser representatives.

D. Cash Management

Night Owl Capital does not set target percentages for cash in a client's account. The amount of cash in a client's account is a function of Night Owl Capital's ability to find suitable investments for the account. Typically, cash is held in a core money market fund. Night Owl Capital may, on occasion, use certificates of deposit, fixed income securities and other cash alternatives.

Item 9 – Disciplinary History

Neither Night Owl Capital nor any of its supervised persons have any reportable disciplinary history.

Item 10 – Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration and Registered Representatives

Night Owl Capital is not registered, nor does it have an application pending to register, as a broker-dealer. No management person is registered, nor does any management person have an application pending to register, as a registered representative of a broker-dealer.

B. Futures and Commodity Registration

Night Owl Capital is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.

C. Financial Industry Affiliations

Night Owl Capital serves as adviser to Night Owl Partners, LP, a private investment fund organized as a pooled investment vehicle.

Night Owl Capital has implemented various policies and procedures to mitigate real or potential conflicts of interest arising from the Company's management of separately managed accounts and a private investment fund. Currently, the assets of Night Owl Capital's separately managed account clients and the Partnership are custodied at different brokerage firms or custodians. Consequently, Night Owl Capital may use different brokers for the separately managed accounts and the Partnership, respectively, to execute a transaction that involves the same security. In addition, Night Owl Capital will execute most transactions in a serial manner in order to prevent the brokers from competing with one another for order flow. Night Owl Capital will alternate the order of execution to ensure that no client receives favorable treatment in execution.

In the event that Night Owl Capital is buying or selling highly liquid securities (e.g., large cap stocks), Night Owl Capital may determine that the simultaneous execution of transactions by different brokers representing different Night Owl Capital clients will not adversely impact the execution price for Night Owl Capital's various clients. In such a case, Night Owl Capital may

instruct brokers representing Night Owl Capital's different clients to execute the transactions at the same time.

In cases in which Night Owl Capital uses a single broker to buy or sell the same security for both the separately managed accounts and the Partnership, Night Owl Capital will typically allocate between the separately managed accounts and the Partnership on a pro rata basis. In certain instances where it would not be prudent to allocate on a pro rata basis, an alternate methodology may be employed.

Please see the section entitled "Brokerage Practices" for additional information on Night Owl Capital's brokerage practices.

D. Selection of Other Advisers

Night Owl Capital does not utilize nor select third-party investment advisers.

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

A. Code of Ethics

Night Owl Capital has adopted a Code of Ethics to prevent violations of federal securities laws. The Code of Ethics is predicated on the principle that Night Owl Capital and its employees owe a fiduciary duty to its clients. Accordingly, Night Owl Capital expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. Night Owl Capital and its employees are required to adhere to the Code of Ethics. At all times, Night Owl Capital and its employees must (i) place client interests ahead of the Company's; (ii) engage in personal investing that is in full compliance with the Company's Code of Ethics; and (iii) avoid taking advantage of their position. Clients and prospective clients may request a copy of Night Owl Capital's Code of Ethics by contacting Michele Montano at 203-302-3870.

B. Material Financial Interests

Night Owl Capital may purchase or sell securities or investment products for its client portfolios in which Night Owl Capital or its related personnel have a material financial interest.

An affiliate of Night Owl Capital acts as general partner of Night Owl Partners, LP. As the general partner, the affiliate maintains a capital account in Night Owl Partners, LP, and therefore, receives allocations of net profit (or losses) of the fund. The general partner, portfolio manager and employees of Night Owl Partners, L.P. have invested in the fund. In order to create a strong congruity of interest between the management of Night Owl Partners, LP and its investors, all investment professionals employed by Night Owl Capital are encouraged to invest in the fund.

C. Investing in Same Securities as Clients and Engaging in Transactions at the Same Time as Clients

Night Owl Capital or individuals associated with Night Owl Capital may (i) buy, sell, or hold in their personal accounts the same securities that Night Owl Capital recommends to its clients and/or (ii) engage in transactions at the same time as clients.

To minimize conflicts of interest, and to maintain the fiduciary responsibility Night Owl Capital has for its clients, Night Owl Capital has established the following policies and procedures:

1. Employee accounts for those employees that are also clients of Night Owl Capital will be under the discretion of Night Owl Capital and traded *pari passu* with non-employee client accounts managed pursuant to the same strategy.
2. Employees who maintain accounts outside of Night Owl Capital's discretionary management may not purchase securities currently included in any Night Owl Capital strategy or under consideration for inclusion in any strategy ("Restricted List"); provided, however, that such employees are permitted to own securities on the Restricted List if such securities were (i) owned by the employee prior to their employment with Night Owl Capital or (ii) in the employee's account prior to being placed on the Restricted List. In addition, employees are not permitted to sell any security on the Restricted List if such security is currently being purchased for, or sold on behalf of, any non-employee client.
3. Ownership of covered securities is subject to minimum holding periods and ownership percentages.

All transactions in a covered security must be pre-approved by the Chief Compliance Officer. Night Owl Capital will also maintain quarterly reports on all personal securities transactions, except transactions in investment company securities and/or other exempt transactions.

Additional Information

At times, Night Owl Capital or its related persons may purchase securities that it deems appropriate only for its or their own account. Based on the experience of Night Owl Capital or its related persons holding the securities and on further research and due diligence, Night Owl Capital may at a later time purchase such securities for client accounts at prices which might be higher or lower than those originally paid.

E. Prohibition on Use of Insider Information

Night Owl Capital has also adopted policies and procedures to prevent the misuse of "insider" information. Night Owl Capital's insider trading policies and procedures are included in our Code of Ethics and available to any client or prospective client upon request. For a copy of Night Owl Capital's Code of Ethics, please contact Michele Montano at 203-302-3870.

Item 12 – Brokerage Practices

A. Broker Selection

Night Owl Capital is authorized by the client to select the broker or dealer to be used and to determine the commission rate paid. Please see the disclosures in "Best Execution" and "Broker Analysis" sections below for additional information on the criteria used by Night Owl Capital to select client brokerage.

Best Execution

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

When placing portfolio transactions for client accounts, Night Owl Capital’s primary objective is to obtain the best price and best execution, taking into account the costs, promptness of execution and other qualitative considerations.

Broker Analysis

Night Owl Capital evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving Night Owl Capital.

Also in consideration is such broker-dealers’ provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by “soft dollars”, as further discussed in the “Research/Soft Dollars Benefits” section below). Accordingly, if Night Owl Capital determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

Night Owl Capital’s Chief Compliance Officer is responsible for continuously monitoring and evaluating the performance and execution capabilities of brokers that transact orders for client accounts to ensure consistent quality executions. In addition, Night Owl Capital periodically reviews its transaction costs in light of current market circumstances and other relevant information.

Brokerage Classification

Night Owl Capital classifies client accounts in two ways – prime and non-prime. Prime accounts have assets greater than \$100,000 and have a signed Prime Broker agreement in place with their custodian. Non-prime accounts are those that have less than \$100,000 in assets and are not authorized to trade with brokers other than their custodian.

Non-Prime Brokerage Accounts

For its non-prime brokerage accounts, Night Owl Capital places trades with the Fidelity Institutional Wealth Services Group (“Fidelity”) sponsored by Fidelity Brokerage Services, Inc. and with Charles Schwab Advisor Center (“Schwab”). For smaller, non-block trades, Night Owl Capital executes trades electronically through the Fidelity and Schwab electronic trading platforms.

Please see the disclosures in the “Research/Soft Dollar Benefits” section below for additional information on benefits Night Owl Capital receives for directing client transactions to Fidelity.

Prime Brokerage Accounts

For its prime brokerage accounts, Night Owl Capital executes transactions with those brokers who are able to both effect the best execution of a given order and supply research services used in Night Owl Capital's investment decision-making process. Night Owl Capital believes that these brokerage firms often are able to provide superior execution since they make a market and/or are familiar with the trading patterns of those securities. Successfully managing these prime-brokerage relationships is instrumental in achieving overall lower execution costs. Night Owl Capital and its clients benefit from these strong relationships in different ways. The brokers used will continuously "show" Night Owl Capital the active level of interest in securities held by Night Owl Capital's clients in hopes of facilitating a natural trade whereby the broker represents both the buyer and seller and, as a result, offer lower transaction costs.

Please see the disclosures in the "Research/Soft Dollar Benefits" section below for additional information on benefits Night Owl Capital receives for directing client transactions to these brokers.

Research/Soft Dollar Benefits

Custodial Brokers

Night Owl Capital utilizes custodial and other services of Fidelity Institutional Wealth Services Group ("Fidelity") sponsored by Fidelity Brokerage Services, Inc. and Schwab Advisor Services sponsored by Charles Schwab & Co. ("Schwab"). While there is no direct linkage between the investment advice given to clients and Night Owl Capital's selection of these custodians, economic benefits are received by Night Owl Capital, which would not be received if Night Owl Capital did not give investment advice to clients. These benefits include: a dedicated trading desk that services advisors exclusively, a dedicated service group and an account services manager dedicated to Night Owl Capital's accounts, access to a real-time order matching system, ability to 'block' client trades, electronic download of trades, balances and positions, access, for a fee, to an electronic interface with the custodian's software, duplicate and batched client statements, confirmations and year-end summaries, and the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements).

These custodians may also make available to Night Owl Capital other products and services that benefit Night Owl Capital but may not benefit its clients' accounts. Some of these other products and services assist Night Owl Capital in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Night Owl Capital's fees from its clients' accounts, and assist with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of Night Owl Capital's accounts, including accounts not maintained at the specific custodian that is offering this particular service.

The benefits received through these custodians do not depend upon the amount of transactions directed to, or amount of assets custodied by them.

While as a fiduciary Night Owl Capital endeavors to act in its clients' best interest, Night Owl Capital's recommendation that clients maintain their assets in accounts with Fidelity or Schwab may be based in part on the benefit to Night Owl Capital of the availability of some of the foregoing

products and services and not solely on the nature cost or quality of custody and brokerage services provided by these broker-dealers which may create a conflict of interest.

Other Brokers

Night Owl Capital executes transactions through brokers who can provide the best execution of a given order and supply research services used in the investment decision making process. The only commission premiums paid are for proprietary research and research conferences provided by a select number of brokers. In addition, Night Owl Capital may at times allocate commissions between an execution broker and a broker providing research in order to ensure both best execution and to compensate brokers for helpful research.

B. Trade Aggregation/Allocation

It is the objective of Night Owl Capital to provide a means of allocating trading and investment opportunities between advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients' accounts with substantially similar investment objectives and policies, Night Owl Capital may often seek to purchase or sell a particular security in each account. Night Owl Capital will aggregate orders only when such aggregation is consistent with its duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account.

Prices of securities that are purchased or sold in blocks are averaged and allocated proportionately among all accounts for which such securities are appropriate. Executed trades are typically allocated on a pro rata basis. In certain instances where it would not be prudent to allocate on a pro rata basis, an alternate methodology may be employed.

C. Trade Errors

If a trading error is detected, Night Owl Capital will attempt to break the erroneous trade. If the error is detected after settlement, Night Owl Capital will buy or sell as necessary the amount of shares to offset the error. Clients are reimbursed for any losses occurring in their accounts as a result of trading errors. In such cases, Night Owl Capital will deposit the amount of any loss caused by the trading error directly into the client's account. If the trading error is detected prior to settlement but is unable to be broken, the trade will be rebooked to Night Owl Capital's error account. In this case, Night Owl Capital will absorb any loss due to the error and any gains will be donated to charity.

Item 13 – Review of Accounts

A. Periodic Reviews

While the underlying securities in client accounts are continuously monitored, each account is reviewed at least monthly by Night Owl Capital's investment professionals to ensure that investment objectives are being met and to determine appropriate levels of cash balances, industry concentrations and diversification.

B. Other Reviews

Reviews may be triggered by material market, economic or political events, cash inflow or outflow to/from the portfolio, by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance) or by request of the client.

C. Reports

Separately Managed Accounts

Separately managed account clients receive a monthly statement of transactions and positions in their account directly from their custodian. These clients also receive trade confirmations each time a transaction takes place in their accounts (although some clients elect to receive quarterly confirmations). At the end of each quarter, clients receive detailed written evaluations of their portfolios from Night Owl Capital showing costs of securities and current market values. The current market value of the portfolio of the clients are as reflected in the custodian's statements as of the end of the quarter plus any accrued interest on fixed income securities. In addition, a performance report showing results year-to-date and since inception of the account is distributed quarterly to separately managed account clients. Clients are urged to compare the account statement provided by the broker-dealer/custodian with those provided by Night Owl Capital.

Private Investment Funds

Investors in private investment funds managed by Night Owl Capital will receive monthly reports showing performance and market values. Limited partners will also receive an annual report with audited financial statements including valuations of the limited partners' capital accounts. The general partner, an affiliate of Night Owl Capital, will be responsible for overseeing the preparation of the annual Schedule K-1 for the limited partners.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits

Night Owl Capital does not receive any economic benefits such as sales awards or other prizes from any non-client for providing investment advisory services to the firm's clients.

B. Client Referrals

From time to time, Night Owl Capital may retain solicitors to refer clients to Night Owl Capital. If a client is introduced to Night Owl Capital by either an unaffiliated or an affiliated solicitor, Night Owl Capital may pay that solicitor a referral fee in accordance with all of the requirements of the Investment Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Night Owl Capital's advisory fee, and shall not result in any additional charge to the client.

If the client is introduced to Night Owl Capital by an unaffiliated solicitor, the solicitor must, at the time of the solicitation:

1. Disclose the nature of their solicitor relationship;
2. Provide each prospective client with a copy of the Night Owl Capital written disclosure brochure;

3. Provide each prospective client a copy of the solicitor's written disclosure statement that discloses the terms of the solicitation arrangement between Night Owl Capital and the solicitor, including the compensation to be received by the solicitor.

Any affiliated solicitor of Night Owl Capital shall disclose the nature of their relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of this written disclosure statement.

Item 15 – Custody

Custody of separately managed account client assets will be maintained with the independent custodian selected by the client. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize Night Owl Capital to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account. Generally, Night Owl Capital will not have physical custody of any assets in the client's account except as permitted for payment of advisory fees.

Night Owl Capital has custody over the Night Owl Partners, LP account. Night Owl Partners, LP is subject to audit at least annually and audited financial statements prepared in accordance with generally accepted accounting principles are distributed to all limited partners within 120 days of the end of its fiscal year. In addition, within 90 days after the end of each fiscal year, or as soon thereafter as possible, each investor will be provided the information necessary to complete federal and state tax or information returns.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. *Clients are urged to compare the account statement provided by the broker-dealer/custodian with any statements provided by Night Owl Capital.*

Item 16 – Investment Discretion

Separately Managed Accounts

Night Owl Capital requires that it be provided with written discretionary authority (e.g., limited power of attorney contained in Night Owl Capital's investment management agreement) to make the following determinations without obtaining the consent of the client before the transactions are effected: (1) which securities are bought and sold for the account; (2) the total amount of securities to be bought and sold; (3) selecting the broker or dealer with whom orders for the purchase or sale of securities are placed for execution, unless specifically instructed to the contrary through the investment management agreement or investment policy statement; and (4) the prices and commission rates at which securities transactions are effected. Night Owl Capital's authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between Night Owl Capital and the client and set forth in writing in the investment management agreement or investment policy statement.

Private Investment Funds

As investment manager of Night Owl Partners, LP, Night Owl Capital is solely responsible for researching, selecting and monitoring investments and in making decisions on when and how much

to invest with or withdraw from a particular investment. Limited partners in private investment funds organized as limited partnerships do not have any right to participate in management or in making investment decisions. In addition, Night Owl Capital has authority to select the broker or dealer with whom orders for the purchase or sale of securities for the funds are placed for execution. Night Owl Capital also has the authority to determine the prices and commission rates at which securities transactions for the funds are effected.

Item 17 – Voting Client Securities

A. Proxy Voting

Separately Managed Accounts

Night Owl Capital does not vote proxies on behalf of its separately managed account clients. Therefore, although Night Owl Capital may provide investment advisory services relative to client investment assets, it is the client that maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. Night Owl Capital and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Night Owl Capital will, however, make tender offer elections for the client.

On rare occasions, if an issue is deemed critical, Night Owl Capital may contact clients and suggest a particular vote. Clients can contact John Kim, Managing Director, at 203-302-3870 if they have questions regarding a particular solicitation.

Private Investment Funds

The act of managing assets of clients may include the voting of proxies related to such managed assets. Where the power to vote in person or by proxy has been delegated, directly or indirectly, to the investment adviser, the investment adviser has the fiduciary responsibility for (a) voting in a manner that is in the best interests of the client and (b) properly dealing with potential conflicts of interest arising from proxy proposals being voted upon. Accordingly, Night Owl Capital has instituted proxy voting policies and procedures ("Proxy Voting Policies and Procedures") that are designed to (i) ensure that proxies are voted in an appropriate manner and (ii) complement Night Owl Capital's investment policies and procedures regarding its general responsibility to monitor the performance and/or corporate events of companies which are issuers of securities held in managed accounts.

Night Owl Capital's general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any (collectively, "proxies"), in a manner that serves the best interests of the applicable fund as Night Owl Capital determines in its sole discretion, taking into account the following factors: (i) the impact on the value of the securities; (ii) the costs and benefits associated with the proposal; and (iii) the customary industry and business practices. The Proxy Voting Policies and Procedures also address how Night Owl Capital will vote proxies with regard to specific matters, such as the election of Board members, mergers and acquisitions, compensation, independent auditors and other matters. Investors may obtain a copy of the Night Owl Capital's Proxy Voting Policies and Procedures and the proxy voting record relating to Night Owl Partners, LP, by contacting Michele Montano at 203-302-3870.

B. Class Action Settlements

Although Night Owl Capital has discretion over client accounts, it will not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

Item 18 – Financial Information

A. Prepayment of Fees

Because Night Owl Capital does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, Night Owl Capital is not required to include a balance sheet with this disclosure brochure.

B. Financial Condition

Night Owl Capital does not have any adverse financial conditions to disclose.

C. Bankruptcy

Night Owl Capital has never been the subject of a bankruptcy petition.

Item 19 – Additional Information

A. Privacy Notice

Night Owl Capital views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. Night Owl Capital does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, Night Owl Capital may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc. Night Owl Capital restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for Night Owl Capital. As emphasized above, it has always been and will always be Night Owl Capital's policy never to sell information about current or former clients or their accounts to anyone. It is also Night Owl Capital's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of Night Owl Capital's Privacy Policy, please contact Michele Montano at 203-302-3870.

B. Anti-Money Laundering

Night Owl Capital has adopted an anti-money laundering policy consistent with the requirements of the United States PATRIOT Act.

C. Business Continuity Plan

Night Owl Capital has a written Business Continuity Plan (“BCP”). The BCP attempts to prepare for business disruptions of varying severity and scope. Although it is impossible to anticipate every scenario, the plan strives to enable Night Owl Capital to resume doing business even after the occurrence of events that are most likely to affect business operations.

Night Owl Capital’s policy is to respond to a significant business disruption by safeguarding employee lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, and protecting all of the firm’s books and records.

D. Client Complaints

Clients may contact Michele Montano at 203-302-3870 to submit a complaint. Written complaints should be sent to Night Owl Capital Management, LLC, 102 Greenwich Avenue, Greenwich, CT 06830.