

Item 1 – Cover Page

**Part 2A of Form ADV
Brochure for:**

JFL CAPITAL MANAGEMENT LLC

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March 23, 2021

This Brochure provides information about the qualifications and business practices of JFL Capital Management LLC (“JFL” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Item 2 – Material Changes

This brochure is dated March 2021 and has been prepared by JFL Capital Management LLC, as an amendment to the prior version of its brochure, dated January 2020.

Changes since previous version:

- Item 4(E). Regulatory AUM decreased from \$373 million to \$215 million.

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Item 4 – Advisory Business

A. Description of the Advisory Firm

JFL Capital Management LLC (“JFL”), a Delaware limited liability company, was formed on November 5, 2014. Dr. Joseph Lawler is the principal owner and Managing Member of JFL.

B. Types of Advisory Services

JFL provides investment advice and management to private investment funds, including a limited partnership (the “Onshore Fund”) and a non-U.S. company (the “Offshore Fund” and together with the Onshore Fund, the “Funds”). An affiliate of JFL serves as the sponsor and general partner of the Onshore Fund (the “General Partner”). The Firm also advises an institutional client in a separately managed account. The Firm may decide in the future to sponsor or manage additional private investment funds or separately managed accounts (collectively with the Funds, the “Clients”).

Pursuant to the Funds’ confidential private placement memoranda, limited partnership agreements or memoranda of association, as applicable, and subscription documents (“Constituent Documents”), the Firm seeks to provide investors in the Funds with long-term capital appreciation by primarily investing in long and short positions in common stock and options of healthcare companies.

The Funds are offering interests (“Interests”) to certain qualified investors as described in response to Item 7, below (such investors or prospective investors are referred to herein as “Investors”).

Advisory services to other Clients are provided in accordance with an Investment Management Agreement between the Firm and each such Client.

C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve the investment objectives of individual Clients. Generally, JFL has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients or their Investors.

D. Wrap Fee Programs

JFL does not participate in wrap fee programs.

E. Amounts Under Management

JFL manages the assets of the Clients and has the following regulatory assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$215,000,000	\$0	December 31, 2020

Item 5 – Fees and Compensation

A. Fee Schedule

The fees and compensation payable to JFL are negotiable and vary among its Clients. However, the range of compensation is generally as follows:

1. Management Fee

The Firm typically receives a monthly asset-based management fee calculated as a percentage of each Investor's capital account, payable monthly in advance. The management fee is generally 2.0%.

2. Incentive Allocation

The Firm generally receives an incentive allocation equal to a percentage of the net income allocated to each Investor for the year, but only to the extent net income allocated to that Investor exceeds any cumulative losses that were allocated to that Investor for earlier periods and that have not been recovered (a "high water mark"). This incentive allocation is generally 25% and is typically made at the end of each calendar year.

The incentive allocation will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), in accordance with applicable state law.

3. Fee Comparison

The expenses of the Client, including the management fee and incentive allocation may constitute a higher or lower percentage of average net assets than would be found in other investment vehicles.

B. Payment of Fees

Management fees, incentive allocations, and third-party fees (discussed below) are deducted from Client assets. Management fees, which are paid in advance, are withdrawn at the beginning of the month. Incentive allocations are allocated as of the last business day of the calendar year and as of any date on which an Investor makes a withdrawal or receives a distribution from such Investor's capital account(s).

C. Third-Party Fees

The Client shall pay such costs and expenses as the Firm shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including: (i) management fees; (ii) all general investment expenses (i.e., expenses which the Firm reasonably determines to be directly related to the investment of the Client's assets); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) fees, costs and expenses of third-party service providers that provide such services; and, (v) any extraordinary expenses.

JFL's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Clients. Such charges, fees and commissions are

exclusive of and in addition to the Firm's fees and compensation, and the Firm shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 of this Brochure regarding brokerage.

D. Prepayment of Fees

Prepaid management fees are earned within one month after payment.

E. Outside Compensation for the Sale of Securities

Neither JFL nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with JFL.

The foregoing discussion in Items 5 represents JFL's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although the Firm believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

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

As discussed in Item 5.A., JFL generally receives an incentive allocation equal to a percentage of the net income allocated to each Client for the year. The Firm allocates investment opportunities to its Clients generally on a pari-passu basis. A conflict of interest may arise in the event one Client pays higher fees than another Client; however, any such potential conflict of interest is mitigated by the Firm's allocation procedures.

The incentive allocation may provide a possible incentive for JFL to make riskier or more speculative investments on behalf of a Client than it might make otherwise. In spite of such a potential incentive, the Firm will evaluate investments in a manner that it considers to be in the best interest of its Clients, given those Clients' investment objectives, investment strategies, suitability of the investment, and risk profile.

Item 7 – Types of Clients

JFL provides investment advice and portfolio management services to the Clients.

JFL may in the future provide the same or similar services to other privately placed investment funds and/or separately managed accounts.

The Firm intends to restrict the number of Investors in the Funds and will offer Interests only through non-public transactions in order to maintain the Funds' exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Prospective Investors must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review the Funds' Constituent Documents, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ.

The Funds. Each Investor generally must be an "accredited investor" (as defined in Regulation D under the Securities Act of 1933), an Investor who is eligible to enter into a performance fee arrangement under state and/or federal law, as applicable, and must meet other criteria as specified in the Constituent Documents. The minimum initial investment is \$250,000, and the minimum additional investment is \$50,000, subject to waiver at the discretion of JFL.

Separately Managed Accounts. Terms for separately managed accounts are generally similar to the Funds, but can be negotiated on a case by case basis and may differ from those of the Funds. Account minimums are negotiable and vary among these Clients.

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

A. Methods of Analysis

JFL's primary method of analysis is fundamental analysis.

B. Investment Strategies

The Firm employs an investment strategy that seeks to provide investors with long-term capital appreciation by primarily investing in long and short positions in common stock and options of healthcare companies. The Firm will pursue this objective via thorough evaluation of healthcare companies, particularly those focused on drug development.

C. Risks of Investments and Strategies Utilized

Investing in securities involves risk of loss that Clients and Investors should be prepared to bear.

Investment and trading risk factors may include:

General Investment and Trading Risks. Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a client may be subject.

Common Stocks and Equity-Related Securities. Prices of common stock react to the economic condition of the company that issued the security, industry and market conditions, and other factors and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly the value of other equity-related securities, including preferred stock, warrants and options may also vary widely.

Small- and Mid-Cap Risks. Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

Concentration in Healthcare Industry. Investment performance will be closely tied to and affected by events occurring in the healthcare sector. Companies in the same sector often face similar obstacles, issues and regulatory burdens. Performance will be affected to a greater extent by factors affecting healthcare companies than would be the case with a more diversified portfolio. Healthcare companies may be affected by a wide variety of factors, including demand for their products, patent considerations, government policies, regulatory requirements of various federal and state agencies, technological advances and general economic conditions.

Regulatory Approvals. Companies in the healthcare industry are typically subject to governmental regulation and approval of their products and services, which can have a significant effect on their market price. Usually, the companies require the approval of agencies such as the U.S. Food and Drug Administration (“FDA”) before marketing their products to the public. Of particular significance are FDA requirements covering research and development, testing, manufacturing, quality control, labeling and promotion of drugs for human use. The approval process is very lengthy and costly, and there can be no guarantee that a company will obtain the necessary approvals for its products. The current regulatory framework may also change and additional regulations may arise at any stage during the product development phase of a company, which may affect the company’s ability to obtain approval of its products. Additionally, stock prices of biotechnology companies are very volatile, particularly when their products are up for regulatory approval and/or under regulatory scrutiny.

Intellectual Property Considerations. JFL may invest in securities of companies that will need to obtain patents for their products, both in the U.S. and in other countries. The patent protection of the intellectual property of healthcare technology companies in many countries is highly uncertain and involves complex legal, scientific and factual issues. The policy regarding allowable claim matter of healthcare technology patents varies from jurisdiction to jurisdiction.

Product Liability. Liability of healthcare companies for products that are later alleged to be harmful or unsafe may be substantial, and may have a significant impact on a life science company’s market value and/or share price.

Investments in Private Funds. If a Client invests in private funds, the Client is subject to the risks of the underlying funds' investments and subject to the underlying funds' expenses. There can be no assurance that the other funds will achieve their objectives or avoid substantial losses.

Use of Leverage and Financing. A Client may pledge its securities in order to borrow additional funds for investment purposes. Any event which adversely affects the value of an investment by the Client would be magnified to the extent the Client is leveraged. The cumulative effect of the use of leverage by a Client in a market that moves adversely to the Client's investments could result in a substantial loss that would be greater than if the Client were not leveraged.

Hedging Transactions. While a Client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Client than if it had not engaged in any such hedging transactions. For a variety of reasons, JFL may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose the Client to risk of loss.

Derivatives and Hedging. Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. A Client's ability to profit or avoid risk through investment or trading in derivatives will depend on JFL's ability to anticipate changes in the underlying assets, reference rates or indices.

Short Selling. Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Client of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. Disruptions can occur in any market due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses.

Limited Diversification. Investments may be primarily focused geographically in North American countries. Furthermore, broad diversification of investments in number or by industry or geography is not a primary investment objective of JFL. This limited diversity could expose Clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

Non-U.S. Securities. Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers.

Illiquid Investments. Securities and other assets may be subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a Client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

Counterparty Risk. Certain transactions may be affected in “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing Clients to suffer a loss.

More information about the Funds’ investments and the associated risk factors is available in the Constituent Documents.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with JFL. Prospective Investors and Clients should read the entire Brochure as well the Constituent Documents, other materials that may be provided by JFL and consult with their own advisers prior to engaging the Firm’s services.

Item 9 – Disciplinary Information

JFL and its management persons have not been a party to any legal or disciplinary events that would be material to a Client’s or prospective Client’s evaluation of its investment advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither JFL nor its management persons are registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither JFL nor its management persons are registered as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

As noted in Item 4 (Advisory Business) above, an affiliate of JFL (i.e., the General Partner) serves in a general partner capacity for the Onshore Fund. There are no other relationships or arrangements that are material to this advisory business.

D. Selection of Other Advisors or Managers

JFL does not utilize nor select other advisors or third-party managers. All assets are managed by JFL.

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

A. Code of Ethics

JFL has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director and employee of JFL (collectively, “Employees”). The Firm holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Clients. In serving its Clients, the Firm strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions:

- (a) at all times the interests of Clients must be paramount;
- (b) personal transactions must be conducted consistent with the Code in a manner that minimizes any actual or potential conflict of interest; and
- (c) no inappropriate advantage should be taken of any position of trust and responsibility.

Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. All Employees are provided with a copy of the Code and must annually certify that they have received it and complied with its provisions. In

addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

JFL will provide a copy of the Code to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to the Firm at the address on the cover page to this Brochure.

B. Recommendations Involving Material Financial Interests

JFL generally does not recommend to Clients, or buy or sell for Client accounts, securities in which JFL has a material financial interest, and generally does not buy and sell for itself securities that JFL also recommends to Clients. The Firm documents any transaction that could be construed as a conflict of interest.

C. Investing Personal Money in the Same Securities as Clients

Although JFL's policies and procedures generally prohibit its Employees and related persons from trading in the same instruments that JFL buys or sells for Client accounts, there may be limited circumstances in which JFL, its Employees and/or the related persons may also personally buy or sell the same instruments that JFL buys or sells for Client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of JFL's recommendations regarding a particular security. The Firm's policy as to such transactions is that neither the Firm nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts or otherwise. The Firm addresses this conflict by requiring employees to sign and adhere to the Firm's Code of Ethics and to report personal securities holdings and transactions to the Firm.

D. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, JFL, its Employees, or related persons of JFL may buy or sell securities for themselves that JFL also recommends to Clients. The Firm will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

Item 12 – Brokerage Practices

A. Factors Used to Select or Recommend Broker-Dealers

JFL has discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, JFL considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers, and clearing and settlement capabilities. The Firm is subject at all times to principles of best execution, in accordance with the Firm's policies and procedures. In

selecting broker/dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Firm believes that the broker-dealers that it uses provide competitive transaction and custody costs, helping Clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, JFL seeks to pre-negotiate preferred terms for its Clients providing Clients with the benefits associated with the economy of scale and custodial knowledge of the Firm.

Certain brokers utilized by JFL may provide general assistance to JFL, including technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, the Firm may consider the broker's general assistance and consulting services. To the extent the Firm would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

1. Research and Other Soft Dollar Benefits

JFL currently does not anticipate receiving research or other products or services other than execution from a broker-dealer or third party in connection with Client securities transactions ("soft dollar benefits"). However, in the future, JFL shall have the right if, in good faith, it considers it to be in the best interest of the Client and consistent with JFL's obligations to do so, to enter into "soft dollar" arrangements with one or more broker-dealers. All "soft dollar" arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act, as that safe harbor is currently interpreted by the Securities and Exchange Commission. If in the future the Firm obtains "soft-dollar" benefits, this Brochure will be appropriately amended.

2. Brokerage for Client Referrals

JFL does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. The Firm may receive referrals in the future and if it does it will appropriately amend this Brochure.

3. Directed Brokerage

JFL does not direct brokerage. Securities transactions are executed by brokers selected by JFL in its discretion and without the consent of the Client or its Investors. The Firm may enter into directed brokerage arrangements in its discretion.

B. Aggregating Trading for Multiple Client Accounts

JFL may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, JFL will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. The Firm believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of the Firm's relationship to the Clients it manages by virtue of its

position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of the Firm's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

JFL may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, JFL and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in Client accounts are made. Where execution opportunities for a particular security are limited, JFL attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all Clients.

Item 13 – Review of Accounts

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

JFL reviews Client accounts on a daily basis to ensure consistency with the Client's strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered. The reviews are conducted by Dr. Joseph Lawler.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

Investors in the Funds generally will receive account statements monthly; audited year-end financial statements annually; and tax reporting annually as appropriate.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties

JFL does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

Currently, neither JFL nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future the Firm enters into such arrangements, this Brochure will be appropriately amended.

Item 15 – Custody

Custody of the assets of the Funds will be maintained with one or more banks, brokerage firms and/or other qualified custodians that serve as custodians of the Funds and/or securities of the Funds (each a “Custodian”). Each Custodian will be selected by JFL in its exclusive discretion, which selection may change from time to time (see Item 12). JFL will not maintain physical possession of the funds or securities of any private investment fund, including each of the Funds. The Firm will at all times comply with any custody rules and regulation under the Securities and Exchange Commission’s rules with respect to the assets in the accounts.

JFL does not withdraw its fees from the custodial accounts of Clients in separately managed accounts and does not have custody of these Clients’ assets.

Item 16 – Investment Discretion

The Constituent Documents generally authorize JFL to invest and trade the Funds’ assets in a broad range of investments, to be selected at JFL’s sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, JFL may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Funds’ governing documents, each Investor in the Funds designates JFL as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Funds’ business and affairs, including execution of the Funds’ governing documents. An Investor’s execution of a Funds’ subscription agreement constitutes its execution of the Funds’ governing documents.

As to Clients in separately managed accounts, clients will generally authorize the Firm to invest and trade the Funds’ assets in a broad range of investments, enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate to meet the particular Client’s investment objectives. Unless otherwise agreed to with a particular Client, there are no specific limitations as to type, amount, concentration, or leverage.

Item 17 – Voting Client Securities

JFL exercises voting authority over Client proxies and has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Advisers Act. The policies require JFL to vote proxies received in a manner consistent with the best interests of the Client.

The policies also require the Firm to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Clients. However, the policies permit the Firm to abstain from voting proxies in the event that the Clients’ economic interest in the

matter being voted upon is limited relative to the Clients' overall portfolio or the impact of the Clients' vote will not have an effect on its outcome or on the Clients' economic interests.

Certain JFL proxy voting guidelines are summarized below:

- JFL votes for: uncontested director nominees recommended by management; the election of auditors recommended by management, unless a dispute exists over policies; limiting directors' liability; and eliminating preemptive rights.
- JFL votes against: proposals to entrench the board or adopt anti-takeover measures; proposals to provide cumulative voting rights; and social issues.

Although many proxy proposals can be voted in accordance with JFL's proxy voting guidelines, some proposals will require special consideration, and the Firm will make a decision on a case-by-case basis in these situations, including proposals to: eliminate director mandatory retirement policies; rotate annual meeting locations and dates; grant options and stock to management and directors; and indemnify directors and/or officers.

Where a proxy proposal raises a material conflict between JFL's interests and the interests of the Clients, the Firm will seek to resolve the conflict in the best interest of the Clients.

Clients may obtain a copy of JFL's complete proxy voting policies and procedures upon request. Clients may also obtain information from JFL about how the Firm voted any proxies on behalf of their account(s).

Item 18 – Financial Information

JFL has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy petition.

A. Balance Sheet

JFL neither solicits nor requires prepayment of more than \$500 in fees per client, six months or more in advance; therefore, the Firm's balance sheet is not included with this Brochure.

B. Financial Condition

JFL has discretionary authority over the Clients' assets. At this time, neither the Firm nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

JFL has not been the subject of a bankruptcy petition in the last ten years.

Item 19 – Requirements for State-Registered Advisers

JFL is registered as an investment adviser with the United States Securities and Exchange Commission. This item is not applicable.