



**325 Capital LLC
757 Third Avenue
20th floor
New York, NY 10017**

Form ADV Part 2A

March [30], 2023

Item 1 - Cover Page

This brochure ("**Brochure**") provides information about the qualifications and business practices of 325 Capital LLC ("**325 Capital**") an investment adviser registered with the United States Securities and Exchange Commission ("**SEC**"). Any reference to 325 Capital as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

This Brochure is neither an offer to sell nor a solicitation of an offer to buy shares or limited partnership interests in any of the investment funds sponsored, managed, or advised by 325 Capital. An offer of such funds can only be made through the offering materials for the relevant investment fund and only in jurisdictions in which such an offer would be lawful.

If you have any questions about the contents of this Brochure, please contact Michael Braner, Chief Compliance Officer, at (917) 456-2228 or mbraner@325capital.com. Additional information about 325 Capital is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Summary of Material Changes

Item 2 requires 325 Capital LLC to provide a summary of any material changes to the information provided in this Brochure between annual updates of the document. In the firm's view, the Brochure had the following material changes since the last annual amendment filed on March 25, 2022:

Item 4 has been updated to reflect 325 Capital LLC's regulatory assets under management as of February 28, 2023.

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Item 4 - Advisory Business

325 Capital is a Delaware limited liability company that was formed in 2018 and maintains its principal place of business in New York, New York. 325 Capital provides investment advisory services on a discretionary basis to private funds organized via a master-feeder structure (each a “**Fund**” and collectively, the “**Funds**”) and separately managed accounts (each an “**SMA Client**”; together with the Funds, “**Clients**”). The Funds are exempt from registration under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and their securities are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”). An affiliate of 325 Capital acts as the general partner of the Funds (the “**General Partner**”). 325 Capital and the General Partner (collectively, the “**Adviser**”) are ultimately owned by Anil Shrivastava, Dan Friedberg, and Michael Braner (collectively, the “**Managing Partners**”).

325 Capital generally has broad and flexible investment authority with respect to Clients. Each Fund’s objectives and strategies are set forth in a confidential private offering memorandum (and any applicable supplements) provided to each investor in the relevant Fund. The investment objectives and strategies of SMA Clients are set forth in the respective investment management agreement.

The Funds’ investment objective is to achieve long-term capital appreciation by investing in a concentrated portfolio of high-quality, public equity securities of North American small-cap companies and acting as constructive partners with the management and boards to achieve a fact-based blueprint to generate returns. The investment objective of any SMA Clients is substantively similar to the Funds.

325 Capital tailors its services to Client needs respective to the investment objectives set forth in the applicable private offering memorandum or investment management agreement but does not provide recommendations specific to any one individual investor. The Funds may enter into side letters and other agreement and arrangements with certain investors in the Funds, which may provide terms and conditions that are more advantageous than those set forth in the applicable offering memoranda. Such terms and conditions may include without limitation special rights to make future investments in the Funds or other investment vehicles managed by 325 Capital, different transparency rights, and/or different fee terms.

When deemed appropriate for a large or strategic investor, 325 Capital may elect to establish a separately managed account, which may (i) tailor investment objectives to specific financial instruments and/or (ii) be subject to different terms and fees than those of other Clients. Such investment objectives, fee arrangements and terms will be individually negotiated.

325 Capital does not participate in any wrap fee programs.

As of February 28, 2023, 325 Capital had \$157,532,000 of regulatory assets under management on a discretionary basis. 325 Capital does not manage any client assets on a non-discretionary basis.

All discussions of the Funds in this brochure, including but not limited to their investments, the strategies used in managing the Funds, the fees and other costs associated with an investment in the Funds, and conflicts of interest faced by the Firm in connection with management of the Funds, are qualified in their entirety by reference to each Fund’s respective offering memorandum and advisory agreement.

Item 5 - Fees and Compensation**Fees**

325 Capital or the General Partner, as applicable, typically charges fees that are based upon a set percentage of assets under management and performance. Set forth below are summaries of the fees payable by investors in the Funds and other Clients. It should be noted that detailed disclosure about the fees and other expenses applicable to an investment in the Funds is provided in the respective operative documents. Those documents should be carefully reviewed prior to making an investment in the Funds.

In consideration for investment management services provided to the Funds, 325 Capital receives a management fee payable in advance and calculated at an annual rate based on the net value of the relevant assets as of the first business day of each calendar quarter or on the date of a contribution if other than the beginning of a quarter. 325 Capital in its sole discretion reserves the right to waive, modify or calculate differently the management fee for certain investors, including for investors that are members, principals, employees or affiliates of the Adviser or for certain large or strategic investors.

In addition, the Adviser receives an annual performance-based incentive allocation reallocated from the capital accounts of each investor to the Adviser. The incentive allocation is calculated based upon the amount the individual investor's realized and unrealized return over a particular time period compared to a "hard-hurdle" as set forth in the relevant offering materials. At the time of subscription, investors are required to make a one-time irrevocable election of the hard-hurdle applicable to their investment. 325 Capital in its sole discretion reserves the right to waive, modify or calculate differently the incentive allocation for certain investors, including for investors that are members, principals, employees or affiliates of the Adviser or for certain large or strategic investors. In such circumstances, the Funds may, for administrative convenience, issue a separate series/class or sub-class of interests/shares to any such person.

Investors in a Fund are generally limited in their ability to terminate their participation in a Fund. In addition to other redemption and transfer restrictions that are described in each Fund's offering materials, the Funds impose a "lock-up" period such that investors may not withdraw capital that has not been invested for a specified period of time. Subsequent to the lock-up period, investors may make partial withdrawals of their capital account balances subject to the limitations described in the respective Fund's offering materials.

SMA Clients are typically charged a management fee based on the net asset value of the relevant assets, invoiced quarterly in arrears, and may be subject to other fees as described in the respective investment management agreements. The terms and fee arrangements to which each SMA Client is subject will be individually negotiated and may differ from other clients.

Neither 325 Capital or any of its affiliates or its related persons receive commission or transaction-based compensation related to the sale of interests in the Funds.

Other Fees and Expenses

The Funds typically pay their own expenses, as set forth in the respective offering materials. The Funds will incur other expenses in connection with 325 Capital's advisory services that are not included in 325 Capital's fees, including without limitation transaction fees, brokerage commissions, custody fees and

other related costs and expenses that will be incurred by a Fund with respect to the transactions for its account. The Funds will also bear additional charges, including, without limitation, legal and organizational expenses in connection with the Fund's formation and initial offering, and ongoing expenses necessary to perform the operation of each such Fund. Expenses will generally be shared by all investors on a pro rata basis.

Other Clients will pay their own expenses, as set forth in the respective offering materials or investment management agreement. In the event expenses are required to be allocated amongst Clients, 325 Capital will seek to allocate the expenses in a fair and equitable manner taking into account the extent to which each Client benefits from the particular product or services. Depending upon the nature of the expense, the allocation methodology applied by 325 Capital may vary. Such methodologies may include allocating the expense (i) on a pro rata basis in proportion to the relevant Clients' assets under management or relative use of the item of expense (or relative participation in an investment, if the expense is related to such investment); (ii) equally among all participating Clients; or (iii) in another manner that 325 Capital deems fair and equitable.

325 Capital will render its services to Clients at its own expense and will be responsible for its overhead expenses including: office rent; utilities; furniture and fixtures; stationery; secretarial/internal administrative services; salaries and bonuses; entertainment expenses; employee insurance and payroll taxes.

It is very important that investors refer to their respective Fund's governing documents for a complete understanding of how the Adviser is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund governing documents.

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

As described above in Item 5, the Adviser is eligible to receive performance-based fees from investors in the Funds and SMA Clients. It should be noted that the possibility for the Adviser to receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for 325 Capital to make investments that are riskier or more speculative than would be the case in the absence of such a performance-based fee. However, this incentive may be tempered somewhat by the fact that losses will reduce the Fund's performance and thus the fees earned, and performance-based fees are not eligible to be paid to the General Partner until after the expiration of any applicable investor lock-up period. Investors are provided with clear disclosure as to how performance-based compensation is charged with respect to a particular Fund and the risks associated with such performance-based compensation prior to making an investment.

Additionally, the Adviser and the respective officers, directors, member or employees will devote such time to the management of Clients as they deem necessary. However, they are also responsible for advising or providing consulting services to other accounts which may include their own accounts, and may in the future organize, manage and advise investment funds or other entities with objectives similar or different from those of Clients. Conflicts of interest may arise in allocating investment opportunities, management time, services or other functions amongst Clients and such other accounts.

However, the Adviser recognizes that it is a fiduciary and, as such, must act in the best interests of Clients. Further, the Adviser recognizes that it must treat all Clients fairly and must refrain from favoring one Client's interests over another. The Adviser has adopted policies and procedures designed to address

conflicts of interest, including procedures regarding the allocation and aggregation of investment opportunities among Clients and a Code of Ethics, which includes a standard of business conduct and establishes policies and procedures with regard to personal securities transactions of the Adviser's personnel.

Item 7 - Types of Clients

325 Capital provides investment advisory services to pooled investment vehicles operating as private investment funds. When deemed appropriate for a large or strategic investor, 325 Capital may elect to establish a separately managed account, which may (i) tailor its investment objectives to specific financial instruments and/or (ii) be subject to different terms and fees than those of other Clients. Such investment objectives, fee arrangements and terms will be individually negotiated.

Each investor in the Funds must meet certain eligibility provisions: interests in the Funds are generally offered to investors who qualify as both (i) accredited investors within the meaning of Regulation D of the Securities Act, and (ii) "qualified purchasers," as defined in Section 2(a)(51)(A) of the Investment Company Act. Additionally, the minimum initial investment is \$5 million subject to reduction at the discretion of the Adviser.

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

All references to the Funds in this brochure, including, but not limited to, their investments and management strategies, are qualified in their entirety by reference to each Fund's respective offering documents. The following is a general discussion of the methods of analysis, investment strategies and the risk of loss associated with 325 Capital's overall investment strategy. These risk factors may change over time. There can be no assurance that the Funds will achieve their objectives or that the Funds will not incur losses. Investors in the Funds must be prepared to lose all or substantially all of their investment in the Funds.

Methods of Analysis & Investment Strategies

325 Capital seeks to identify and invest in the securities of high-quality, North American, small-cap public companies that have significant potential for improvement because of 325 Capital's engagement. The Managing Partners and the other members of the investment team will seek to add value to portfolio companies leveraging their decades of prior experience, acting as constructive partners with management and boards to achieve a fact-based blueprint targeted to generate compounding returns over a three to five-year horizon. 325 Capital focuses on equity and equity-related securities and financial instruments, invests on a long-only basis and does not anticipate utilizing leverage at the Fund-level.

325 Capital intends for Client portfolios to be diversified across sectors. Industries that tend to exhibit the preferred investment characteristics and have a greater concentration in Client portfolios are niche industrials, business-to-business (B2B) services and healthcare. Certain sub-sectors such as biotechnology, banks, natural resource producers are generally excluded, as they may present outcomes

and risks that cannot be easily underwritten. The portfolio aims to be uncorrelated to broader markets given the idiosyncratic nature of both the investments and the catalysts.

The investment process utilized by 325 Capital has been refined by the Managing Partners over their decades of experience and includes a four-stage, private equity style due diligence process, using hurdles of increasing intensity, with risk management embedded throughout. Deep fundamental diligence finds high-quality companies with a high margin of safety, intended to result in exceptionally low loss rates through market cycles. At the same time, 325 acts as constructive partners with management and boards, using an advisory fact-based approach to drive change and alignment toward a doubling or tripling of the company's value over a three- to five-year time horizon.

325 Capital's investment strategy and related risks are described in greater detail in each Fund's offering memorandum.

Risks of Loss

Investment in the Funds is speculative and involves certain risks. Certain of these risks are summarized below. The Fund may not be suitable for all investors and is intended for sophisticated investors who can accept the risks associated with the Funds' investment program. An investment in a Fund does not constitute a complete investment program. Investors will not have recourse except with respect to the assets of the Fund. Prospective investors should consider, among others, the risk factors described in this section.

Market Risk. There is always some, and occasionally a significant, degree of market risk—the risk that the value of the Funds' investments will change as financial markets fluctuate and that prices overall may decline. The value of a company's securities may fall as a result of factors that directly relate to that company, such as decisions made by its management or lower demand for the company's products or services. A security's value also may fall because of factors that affect not only the company, but companies in its industry or in a number of industries, such as increases tariffs or industry level regulations.

Equities. The value of an interest in the Funds is, in part, based on the market value of the securities the Funds hold. The market value of a security can change daily due to political, economic and other events that affect the securities markets generally, as well as those that affect particular companies or governments. Historically, the equity markets have moved in cycles, and the values of the Funds' equity securities may fluctuate drastically from time to time. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response to such trends and developments.

Small to Medium Capitalization Companies. The Funds may invest a portion of their assets in the stocks of companies with small to medium-sized market capitalizations. While 325 Capital believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Diversification. Since the Funds will not necessarily be widely diversified, the portfolio of a Fund may be subject to more rapid changes in value than would be the case if the Funds were required to maintain a wide diversification among companies, securities and types of securities.

Inside Information. From time to time, 325 Capital or its affiliates comes into possession of material, non-public information concerning an entity in which Clients have invested or intend to invest. The possession of such information typically limits the ability of 325 Capital to cause clients to buy or sell the securities issued by such company. Therefore, 325 Capital could be required to refrain from buying or selling such securities for clients at times when 325 Capital might otherwise wish to cause clients to buy or sell such securities. 325 Capital is not obligated to avoid acquisition of material nonpublic information.

Significant Positions in Securities; Regulatory Requirements. In the event 325 Capital acquires for its clients a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, 325 Capital and its clients will become subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on Clients and 325 Capital. Such requirements typically impose additional costs on Clients and may delay the acquisition or disposition of the securities or Clients' ability to respond in a timely manner to changes in the markets with respect to such securities.

For example, if 325 Capital, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the U.S. Securities Exchange Act of 1934, as amended, 325 Capital and its clients may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances Client Funds may be prohibited from entering into a short position in such issuer's securities, and therefore limited in their ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

Prime Brokers; Clearing Brokers. Few or none of the securities that will be owned by the Funds are expected to be registered or titled in the name of the Funds. The Funds' securities will be held by the Funds' brokers. Securities and cash held in customers' accounts at prime brokers that are U.S.-registered broker-dealers will not be available to the non-customer creditors of the prime broker. Nonetheless, if a prime broker became insolvent and there were not sufficient customer assets to pay all customers in full, then the securities and cash held in customers' accounts at the prime broker would be distributed *pro rata* among customers. Different results, including loss of U.S. regulatory protections, may also occur in the event that the customer of a U.S. prime broker permitted the prime broker to (i) rehypothecate or lend its assets or (ii) transfer its assets to a prime broker or other entity that is not a U.S. registered broker-dealer. If assets are held by a prime broker that is not a U.S. registered broker-dealer, the U.S. regulatory protections do not apply. In certain jurisdictions, with authority from the customer, such assets may be borrowed, lent or otherwise used by the prime broker for its own purposes. In the event of the insolvency of the prime broker, customers may rank as unsecured creditors and may not be able to recover equivalent assets in full. Recent events have demonstrated that in the event of the insolvency of a prime broker, a Fund may encounter delays in establishing its rights to assets held by the insolvent prime broker.

Risks in Effecting Operating Improvements. In some cases, the success of the Fund's investment strategy may depend, in part, on the ability of the Fund to restructure and effect improvements in the operations of a company. The activity of identifying and implementing potential operating improvements at a company entails a high degree of uncertainty. Certain features of a relevant business environment (e.g.,

a company's reluctance or inability to effect layoffs or close or divest unprofitable business lines) may impede or prevent the implementation of necessary restructuring steps for such companies. There can be no assurance that the Fund will be able to successfully identify and cause or persuade a company to implement such improvements.

Lack of Investment Company Act Regulation. While the Funds may each be considered to be similar to an investment company, none are required to, and none will, register as an investment company under the Investment Company Act and, accordingly, the provisions of the Investment Company Act (which, among other matters, require investment companies to have a majority of disinterested directors and regulate the relationship between the adviser and the investment company) will not be applicable.

Recent Developments in the Financial Services Industry. On July 21, 2010, the President signed into law major financial services reform legislation in the form of the Dodd Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). Among other things, the Dodd-Frank Act includes additional regulation of investment funds and their managers, including registration requirements as well as additional compliance, reporting and disclosure requirements. In addition, the Dodd-Frank Act grants the SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act including comprehensive regulation of the over-the-counter derivatives market. These regulations include derivative exchange trading and clearing requirements, disclosure obligations, margin requirements as well as requiring over-the-counter derivative dealers and major over-the-counter derivatives market participants to register with the SEC. The operational burden, liquidity, and market impact of derivative exchange trading and clearing requirements are non-quantifiable and could be unknown for a period of time. The implementation of the Dodd-Frank Act could adversely affect the Fund by increasing transaction costs and imposing restrictions on the investment or other operations of the Fund and the General Partner and its affiliates.

Regulatory Intervention. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to intervene, directly and by regulation, in certain markets and may restrict or prohibit market practices, such as the short-selling of certain stocks. The length of such prohibitions and types of securities prohibited vary from country to country and may significantly affect the value of the Funds' holdings.

Changing Regulatory Environment. In addition to the enactment of the Dodd-Frank Act, the regulatory environment for private investment funds is evolving, and changes in regulation could occur that may adversely affect the Funds and their investment results, or some or all of the investors. There is a possibility that, in the future, the Funds may be subject to new or revised legislation or regulations, which may be enforced by entirely new governmental agencies. Similarly, the Funds may be adversely affected as a result of new or revised legislation, or regulations imposed by the SEC, the Internal Revenue Service (the "Service"), other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The Funds or some or all of the investors also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive, and may affect the manner in which the Funds conduct business. New laws or regulations may also subject the Funds or some or all of the investors to increased taxes or other costs.

Government Policies and Changes in Laws. Governmental regulatory activity, especially that of the Board of Governors of the Federal Reserve System, may also have a significant effect on interest rates and on

the economy generally, which in turn may affect the price of the securities in which the Funds plan to deal. Moreover, changes in non-U.S. nations' or U.S. federal or state tax laws, non-U.S. nations' or U.S. federal or state securities and bankruptcy laws or in accounting standards may make the Funds' investments less profitable.

Exchange Risk. A Fund will be subject to the risk of the failure of any exchanges on which its positions trade or of the exchanges' clearinghouses. In addition, each exchange typically has the right to suspend or limit trading in all securities, futures or other instruments that it lists. Such a suspension might render it impossible for the Adviser to liquidate positions at favorable prices and, accordingly, expose the Fund to losses.

Cybersecurity Risks. The Adviser's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Adviser and/or the Funds may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's or the Funds' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Adviser's or the Funds' reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Economic Conditions due to Coronavirus: The coronavirus epidemic could result in a general economic decline and have an adverse impact on the Funds' investments, or the Funds' ability to source new investments or to realize its investments, in particular if such an epidemic persists for an extended period of time or continues to spread globally.

Limited Liquidity: An investment in the Fund has limited liquidity because investors will generally have only limited rights to redeem or transfer their interests from the Fund, the Funds impose a "lock-up" period such that investors may not withdraw capital that has not been invested for a specified period of time, and the Adviser has the right to suspend redemptions, as described in the offering materials. Investors must be prepared to bear the financial risks of an investment in the Fund for an indefinite period of time.

It is very important that investors refer to the respective governing documents for a complete understanding of the material risks involved in relation to the types of securities 325 Capital invests in on behalf of the Clients. The information contained herein is a summary only and is qualified in its entirety by the relevant governing documents.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor or potential investor's evaluation of 325 Capital or the integrity of the Adviser's management.

325 Capital has no such facts to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

325 Capital serves as the investment manager of the Funds. The General Partner serves as the general partner of the Funds. 325 Capital, its affiliates, employees and/or their related persons may invest directly in the Funds. It should be noted that investments in the Funds made by such persons may not be subject to the management fees and/or performance-based fees.

325 Capital's access persons and related persons may have close relationships with senior executives of public or private companies, the securities of which 325 Capital may recommend to Clients. Additionally, 325 Capital's employees and related persons may serve on the board of directors, advisory boards, executive committees or in other management capacities at public or private companies, including Client portfolio companies, and/or other organizations. 325 Capital employees may be remunerated for serving in any of these capacities and such remuneration can include without limitation cash compensation or stock-based compensation of securities that are also held in Client accounts. Any such compensation received by 325 Capital employees with respect to a Client portfolio company will generally offset the management fee payable by the relevant Client account. The potential for such relationships may give rise to conflicts of interest. For example, given the potential for these relationships, it is possible that senior executives of the underlying companies could seek to exert influence on 325 Capital to invest in such a company or may give 325 Capital information that is not publicly known. As such, 325 Capital maintains insider trading procedures which forbid any access person from trading, either personally or on behalf of others, including Clients, on material non-public information or communicating material non-public information to others in violation of the law. Further, 325 Capital maintains internal compliance policies that require access persons and related persons to, among other things, obtain prior written approval from 325 Capital's Chief Compliance Officer before engaging in certain outside business activities and update disclosure on such activities on a periodic basis. Please also see Item 17 of this Brochure (below) for details related to how 325 Capital handles potential conflicts of interest related to proxy votes.

Dan Friedberg, Managing Partner, is the Chief Executive Officer of Hampstead Park Capital Management ("Hampstead Park"), a family office primarily focusing on investments in private and micro-cap companies typically outside the scope of 325 Capital's investment universe. Mr. Friedberg is also the Chairman of Quest Resource Holdings Corp. (NASDAQ: QRHC), an environmental waste and recycling services company. To help mitigate actual or potential conflicts of interests, Mr. Friedberg's activities related to Hampstead Park and QRHC are subject to the policies and procedures included in 325 Capital's Code of Ethics described in Item 11.

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

Code of Ethics

325 Capital is a fiduciary to its Clients, and therefore must serve their interests with the utmost loyalty and care. 325 Capital has adopted a Code of Ethics (the "Code"), which is designed to meet the requirements of SEC Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and to assist 325 Capital and its supervised persons in preventing violations of the Advisers Act and the rules promulgated under it. This Item 11 describes in summary manner certain provisions of the Code.

The Code applies to 325 Capital's management and employees, and to any consultant or other non-employee who 325 Capital's Chief Compliance Officer (the "CCO") determines to treat as a "supervised

person” for purposes of the Code. The Code sets forth a standard of business conduct that takes into account 325 Capital’s status as a fiduciary to its Clients and requires supervised persons to place the Clients’ interests above their own interests. The Code requires supervised persons to comply with applicable federal securities laws. Further, supervised persons are required to promptly bring violations of the Code to the attention of the CCO. Upon hire and at least annually thereafter, all supervised persons are required to acknowledge receipt of, and agreement to abide by, the Code.

The Code also sets forth reporting and pre-clearance requirements for personal trading by access persons. Access persons must provide the CCO with a list of their “covered accounts” (as defined in the Code) and an initial holdings report promptly after becoming an access person. In addition, 325 Capital’s access persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.

325 Capital also has adopted policies and procedures intended to prevent employees from being unduly influenced in their decisions by the receipt of gifts or other inducements from third parties, such as brokers, trading counterparties or vendors. 325 Capital employees are required to seek approval to keep certain business gifts and are required to seek pre-approval to give certain types of business gifts. In addition, 325 Capital’s policies set forth standards for receiving and providing business entertainment from or to certain third parties, using social media for business purposes and interacting with the government, among other things.

The Code also includes general provisions regarding professionalism in all aspects of management and employee conduct for 325 Capital.

Clients or prospective clients may obtain a copy of the Code by contacting the CCO at (917) 456-2228 or mbraner@325capital.com.

Personal Trading

Personal transactions of 325 Capital’s employees and related persons, which include the firm’s access persons, must be made strictly in accordance with the Code and the terms of the offering described in any applicable investment product’s offering materials. To manage any potential for a conflict of interest, 325 Capital’s access persons are generally prohibited from the personal trading of securities and other instruments in the investment universe of the firm’s Clients. Exceptions may be made in limited circumstances and are subject to 325 Capital’s compliance policies and procedures and the discretion of the CCO. More specifically, under the Code, access persons’ personal securities transactions are subject to certain restrictions and pre-clearance requirements, including: a prohibition of trading in single name equity or debt securities and other single name derivative products related to companies in the firm’s investment universe; and a pre-clearance requirement for transactions in reportable securities. Additionally, 325 Capital maintains a Restricted List, which contains the names of securities that access persons are prohibited from trading on behalf of personal accounts and Clients. Personal securities transactions by access persons will be reviewed in the best interests of Clients and will be denied by the CCO if there is risk of potential adverse consequences to the Clients. The CCO reviews access persons’ personal transaction reports to make sure each access person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

Notwithstanding the restrictions on trading reportable securities as described above, an access person may have an account which trades in such securities if (a) the employee delegates to a professional

investment adviser full investment discretion over the account, (b) the employee confirms that he or she will not exercise investment discretion over the account or directly or indirectly influence any investment decisions for the account, and (c) such professional investment adviser confirms that he or she will independently manage the account, as any such account is not subject to the reporting requirements under Rule 204A-1.

Participation or Interest in Client Transactions

As explained in Item 10, the Adviser has pecuniary interests in the Funds and receives fees for its services to the Client accounts. Also, as explained in Item 10 and elsewhere in this Brochure, 325 Capital's affiliates, principals, and employees, and certain related persons (including vehicles that they manage) invest in one or more the Funds and the Adviser, in its sole discretion, reserves the right to waive, reduce or calculate differently the Fees for any such investments.

The fact that the Adviser, its affiliates, partners and employees and their related persons have pecuniary interests in the Funds creates a potential conflict in that it could cause 325 Capital to make different investment decisions than if such parties did not have such interests. Further, 325 Capital receives fees from Clients. The Fees are payable without regard to the overall success or income earned by Client accounts and therefore may create an incentive on the part of 325 Capital to raise or otherwise increase assets under management to a higher level than would be the case if 325 Capital were receiving no fees. 325 Capital addresses these potential conflicts through regular monitoring of the Client portfolios as described in Item 13. Further, the Funds' respective offering documents contain disclosure regarding the potential risks relating to an investment in the Funds, including material conflicts of interest. The Code notes that supervised persons are required to place the interests of Clients over their own and all supervised persons are required to acknowledge their receipt of, and agreement to abide by, the Code (among other things) upon hire and at least annually thereafter.

325 Capital, its affiliates and its officers, directors, and employees may become aware of, and participate in, business opportunities and investments in which any of the Clients will not be given an opportunity to participate. The Adviser will use its best efforts in connection with the purposes and objectives of each Client and will devote as much of their business time and effort to the affairs of each Client as may, in their judgment, be necessary to accomplish the purposes of the Client. Affiliated persons may conduct other business activities, including any business within the securities industry, whether or not such business is in competition with a Client. Without limiting the generality of the foregoing, the Adviser or its affiliated persons may act as the investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in their own name or through other entities, and may serve as officers, directors, consultants, partners or stockholders of one or more investment funds, partnerships, securities firms or advisory firms. It may not always be possible or consistent with the investment objectives of Clients for the same investment positions to be taken or liquidated at the same time or at the same price.

Item 12 - Brokerage Practices

325 Capital has sole authority for selecting the broker-dealer used in each transaction for Clients and for negotiating the fees to be paid to the broker-dealer in connection with such transactions. 325 Capital recognizes its duty to obtain "best execution." Consistent with such duty, in determining best execution, 325 Capital takes into account the full range and quality of a broker-dealer's services, including such factors as the financial stability and reputation of brokerage firms, and the brokerage or other services

provided by such brokers. 325 Capital does not select broker-dealers solely based on the lowest possible commission costs, but on the best qualitative execution and overall value. Moreover, 325 Capital does not measure best execution by the circumstances surrounding a single transaction but measures best execution instead over time.

Consistent with such policy, consideration is given to a variety of factors, including, but not limited to, one or more of the following:

- attention to 325 Capital's account
- willingness to commit capital for trades
- ability to source or provide liquidity
- broker's creditworthiness
- broker's ability to maintain confidentiality
- cost of execution
- trading products/execution expertise
- access to market information
- providing investment ideas
- brokers' efficiency in booking and settling trades
- ability of broker to provide access to multiple markets and venues (including foreign markets)

Although 325 Capital will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable (i.e., Clients may "pay up" for research and other services provided by the broker through the commission rate ("soft dollars")). The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services (described below) create a potential conflict of interest between 325 Capital and its Clients.

Except for services that would be a Fund expense or as otherwise described herein, 325 Capital will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of the safe harbor in section 28(e) of the Securities Exchange Act of 1934. In some instances, 325 Capital may receive a product or service that may be used only partially for functions within Section 28(e) (i.e., an order management system, trade analytical software or proxy services). In such instances, 325 Capital will make a good faith effort to determine the relative proportion of the product or service used to assist 325 Capital in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting 325 Capital in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by 325 Capital from its own resources.

Research and brokerage services obtained by the use of commissions arising from Clients' portfolio transactions may be used by 325 Capital in its other investment activities and thus, Clients may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

325 Capital has no obligation to deal with any particular broker or dealer in executing transactions and does not have any directed brokerage arrangements.

325 Capital periodically reviews brokerage and soft dollar arrangements.

Brokerage for Client Referrals

325 Capital may elect to place Client orders with a broker-dealer that provides 325 Capital (or its affiliates) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or refers investors to the Funds advised by 325 Capital (or an affiliate). Because such referrals, if any, could benefit 325 Capital and its affiliates, 325 Capital would have a conflict of interest with the Funds when allocating Client brokerage business to a broker who has referred investors to the Funds. To prevent client brokerage commissions from being used to pay for investor referral fees, 325 Capital will not allocate client brokerage business to a referring broker in sole recognition of the opportunity to participate in such capital introduction events or the referral of investors, but rather, will determine in good faith that the commissions payable to such broker is consistent with its obligation to seek best execution.

Allocation and Aggregation of Trade Orders

If 325 Capital determines to buy or sell the same security on behalf of more than one Client, 325 Capital may (but is not required to) place an aggregate order (in accordance with trade guidelines, as applicable) with the broker on behalf of all such accounts in order to ensure fairness for all accounts. It is 325 Capital's policy, when purchasing securities for more than one of its Clients (i.e., bunching orders), to purchase the quantity of such securities necessary to supply all Funds and to then average the aggregate costs over all securities purchased. Related benefits to such Funds also will be averaged over the securities purchased.

In some circumstances, it may be appropriate for 325 Capital to buy or sell a security on behalf of more than one Client over a period of time. For example, if 325 Capital is buying a small capitalization and/or relatively illiquid security for more than one Client, 325 Capital may wish to fill the order over a period of days or even weeks. In such instances, although it may not be possible to aggregate orders to be entered for all Clients, 325 Capital still must allocate Clients' orders pursuant to the allocation guidelines (as applicable). However, in the event that 325 Capital determines a need to buy or sell a security on behalf of more than one Client over a period of time, there can be no assurance of equality of treatment among all Clients.

325 Capital's duty of loyalty to one Client may potentially conflict with its duty of loyalty to another particularly with respect to allocations of trades. In order to mitigate this inherent potential conflict of interest among Clients, 325 Capital has adopted a policy to provide equal and fair treatment to all Clients consistent with 325 Capital's duty of loyalty. In particular, trades may not be allocated to one Client over another in order to, among other things: (i) favor one Client at the expense of another; (ii) generate higher fees paid by one Client over another, or produce greater performance compensation; (iii) develop a relationship with an Investor or prospective investor or client; (iv) compensate an Investor for past services or benefits rendered to 325 Capital, or induce future services or benefits to be rendered to 325 Capital; or (v) equalize performance among different Clients, or for any other similar reason.

While it is the policy of 325 Capital to allocate investment opportunities fairly and equitably over time — which means that investment opportunities will generally be allocated on a *pari passu* basis among those Client accounts for which participation in the respective opportunity is considered appropriate, in

accordance with the relative sizes of the participating accounts' respective investment portfolios — 325 Capital may also consider other factors. Permissible reasons why *pari passu* allocations may not occur in every situation include, among others: (i) divergent tax situations and considerations; (ii) relative sizes of the buying accounts; (iii) different investment strategies; (iv) different risk parameters; (v) commission costs of allocating limited purchases or sales among several Advisory Clients; (vi) supply or demand for a security at a given price level; (vii) size of available position; (viii) liquidity requirements or availability of cash; (ix) ability to margin the buying accounts; and (x) investment restrictions. Such considerations may result in differential performance among Clients.

Item 13 - Review of Accounts

325 Capital's Managing Partners continually review Client portfolios. The nature of the review involves, but is not limited to, analyzing certain performance and risk measures and whether security positions should be maintained in view of current market conditions.

Each investor in the Funds sponsored by 325 Capital will receive annual audited financial statements within 120 days of the Funds' fiscal year-end, K-1s and other tax informational statements (as applicable) within the time period required by law, monthly unaudited performance reports which include unaudited performance of the applicable Fund.

The Funds may offer, upon request, certain investors additional information and reporting that other investors may not receive.

Each SMA Client will receive statements from the account custodian on a monthly basis.

Item 14 - Client Referrals and Other Compensation

As described in Item 12, 325 Capital may receive investor referrals from broker-dealers providing services to its clients. Further, Item 12 discusses how 325 Capital receives certain research or other products or services from broker-dealers through "soft-dollar" arrangements.

325 Capital does not receive any other economic benefit from any person who is not a client for providing investment advice or advisory services to its Clients. Further, neither 325 Capital nor its related persons directly or indirectly compensate any third-party for client referrals.

Item 15 - Custody

325 Capital will maintain the assets of the Funds in accounts with "qualified custodians" pursuant to Rule 206(4)-2 under the Advisers Act. The Adviser and/or its affiliate, as applicable, are deemed to have custody of the Funds by virtue of their status as investment manager and general partner, respectively.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, 325 Capital reasonably believes that all investors will be provided with audited financial statements, prepared by an independent accounting firm that is registered with, and subject to review by, the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Funds' fiscal years (i.e., generally by April 30th). Investors should carefully review such audited financial statements.

325 Capital does not expect to have custody with respect to the accounts of any SMA Clients.

Item 16 - Investment Discretion

325 Capital has discretionary authority to manage Client accounts and is authorized to make purchase and sale decisions for Clients subject to the investment objectives and guidelines set forth in the respective Client's confidential private offering memoranda or investment management agreement. Investors in the Funds do not have the ability to impose limitations on 325 Capital's discretionary authority. Prospective investors in the Funds are provided with a confidential private offering memorandum (and any applicable supplements) prior to their investment and are encouraged to carefully review such confidential private offering memorandum, along with all other relevant Fund materials, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors should also consult with their legal, tax, or other advisors prior to making any investment. Prospective investors must also execute a subscription agreement, which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with its terms.

As previously noted, when deemed appropriate, 325 Capital may elect to establish separately managed accounts, which may (i) tailor their investment objectives to those of the specific investor(s) and/or (ii) be subject to different terms and fees than those of the Funds.

Item 17 - Voting Client Securities

Shareholder voting is important to execution of 325 Capital's investment strategy, and 325 Capital retains voting authority for securities held by Clients. 325 Capital's policy is to vote proxies in favor of proposals that advance investment theses or otherwise further their economic interests. In the absence of a finding of a material conflict of interest relating to the proxy vote at hand, 325 Capital will vote proxies in the best interests of Clients and in accordance with set compliance procedures.

325 Capital does not expect that there will be any material conflicts of interest between the firm or its supervised persons and its Clients with respect to any proxy vote. However, the CCO will monitor the potential for conflicts of interest on the part of the Adviser with respect to proxy voting as a result of personal relationships, significant Client relationships, potential conflicts of interests among Clients or special circumstances that may arise during the conduct of the Adviser's business. If a conflict of interest is identified, 325 Capital will not make related proxy voting decisions until it has been determined that the conflict of interest is not material or a method for resolving the conflict of interest has been agreed upon and implemented, in accordance with 325 Capital's proxy voting policies and procedures.

325 Capital reserves the right to abstain from voting a specific proxy or proxy item when it concludes that the cost of voting outweighs the potential benefit, or when 325 Capital otherwise does not believe voting serves the best interests of Clients.

If you have any questions about 325 Capital's proxy policy, its proxy record-keeping procedures or if you would like any detailed information about how proxies are actually voted, please contact Michael Braner, CCO, at (917) 456-2228 or mbraner@325capital.com.

Item 18 - Financial Information

This item is not applicable. 325 Capital is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.