

EXCELSIOR INVESTMENT ADVISORS LLC

ADV Part 2A - Disclosure Brochure **Dated: March 17, 2023**

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This brochure provides information about the qualifications and business practices of Excelsior Investment Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (516) 765-7400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Excelsior Investment Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Excelsior Investment Advisors, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

This Disclosure Brochure has not been materially revised since the last other than annual amendment filing on February 23, 2022. Certain non-material changes have been made at Item 4 to enhance disclosure regarding our advisory business.

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Item 4 Advisory Business

Excelsior Investment Advisors LLC (“EIA” or the “Registrant”) is a limited liability company formed in the state of New York in December 2020. The Registrant became a registered investment advisor with the Securities and Exchange Commission on January 12, 2021 as a related adviser to FCCI Consulting, LLC. (“FCCI”) The Registrant is solely owned by Friedrich Perrino LLC, which is owned equally by Steven Perrino and Carl Friedrich. Mr. Perrino and Mr. Friedrich are also the Registrant’s Managing Members.

B.

INVESTMENT ADVISORY SERVICES

The Registrant provides discretionary investment advisory services on a *fee* basis. Registrant’s annual investment advisory fee may include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

The Registrant provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client’s investment objectives. Thereafter, the Registrant will recommend that the client allocate investment assets consistent with the designated investment objectives. The Registrant primarily recommends that clients allocate investment assets among mutual funds and/or exchange traded funds (“ETFs”) in accordance with the client’s designated investment objective(s). Once allocated, the Registrant provides ongoing monitoring and review of account performance, asset allocation and client investment objectives.

Registrant's annual investment advisory fee may include both investment management services and initial and/or ongoing financial planning and consulting services. However, in the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

The Registrant may provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis.

Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into an agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services.

It remains the client’s responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant’s previous recommendations and/or services.

MANAGEMENT OF AFFILIATED INVESTMENT FUNDS

EIA (also an exempt commodity trading advisor) is affiliated with, and manages, unregistered private investment funds or "Investment Partnerships" (organized as limited partnerships) for other advisors, individuals and/or small businesses, pooled investment vehicles and tax exempt organizations. EIA researches, identifies, interviews, evaluates, selects and monitors the third-party investment managers (the "Designated Managers") selected to manage the assets of each fund. These private funds are established as funds of funds. EIA manages the funds' overall investment position, including ongoing evaluation of the Designated Managers, and makes periodic changes in the allocation of funds to existing and new Designated Managers as it deems appropriate. A complete description of the Investment Partnership (the terms, conditions, risks, conflicts and fees, including incentive compensation, is set forth in the Investment Partnership's offering documents. EIA, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the Investment Partnership. EIA believes that the Investment Partnership's investment objective can be achieved with diversified asset management utilizing several independent Designated Managers that employ Equity Long/Short, Event Driven, Relative Value, Private Investments and other investment strategies. These Designated Managers, through their own pooled investment vehicles in which the Investment Partnership is a participant, employ varying investment styles and strategies.

Please Note: The Investment Partnerships generally involve various risk factors, including, but not limited to, the potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in the fund's offering documents, which will be provided to each limited partner for review and consideration. Unlike other liquid investments that an investor may maintain, private investment funds do not provide daily liquidity or pricing. It should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by EIA) will be profitable or equal any specific performance level(s). Each prospective investor that elects to invest in the Investment Partnerships will be required to complete a Subscription Agreement, pursuant to which the investor shall establish that it is qualified to invest in the Investment Partnerships, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation: In the event that EIA references Investment Partnerships in any account reports prepared by EIA, the value(s) for all Investment Partnerships owned by the investor shall reflect the most recent valuation provided by the general partner as obtained from the Designated Managers. If the Designated Manager does not provide a post-purchase valuation, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date) or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the general partner). If the valuation reflects the initial purchase price (and/or a value as of a previous date), then the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price.

Please Also Note: These affiliated funds invest in unaffiliated Designated Manager funds. A limited partner will incur separate fees: (1) the fee charge by the underlying unaffiliated

Designated Manager funds; and (2) the Investment Partnership management fee or management allocation charged by EIA (which fee is explained in the Investment Partnership's private placement offering documentation). Please also see Item 5 below for purposes of calculating EIA's fee). Please also note EIA does not charge individual clients a direct investment advisory fee on assets allocated to the Investment Partnership. EIA advises that potential fund investors consider seeking advice from independent professionals (i.e., attorney, CPA, etc.) of their choosing prior to becoming a Fund investor. No EIA client is under any obligation to become an investor in the Investment Partnership.

Affiliated Private Funds Managed by FCCI

EIA's affiliate, FCCI, is the investment adviser to three Investment Partnerships (The Excelsior Investment Fund L.P. Excelsior Qualified L.P. and Excelsior Opportunity Fund L.P. and each an exempt commodity pool operator) which are unregistered investment companies organized as a limited liability corporations and sponsored by FCCI's affiliates, Excelsior Management, LLC and Excelsior Opportunity Management, LLC. Excelsior Management, LLC and Excelsior Opportunity Management, LLC serve as the General Partners for all three funds, ("General Partner"). The General Partner has sole and complete authority to manage the Investment Partnerships' operations and activities.

A complete description of each fund (including the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in each fund's offering documents. EIA is therefore affiliated with each of these funds and with the General Partners to the Investment Partnerships. EIA, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to these Investment Partnerships. EIA's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Please Also Note: The affiliated funds invest in unaffiliated Designated Manager funds. A limited partner will incur separate fees: (1) the fee charge by the underlying unaffiliated Designated Manager funds; and (2) the Investment Partnership management fee or management allocation charged by FCCI; and (3) in the case the Excelsior Opportunity Fund, L.P., a performance-based fee may be charged by the General Partner. EIA will not charge a management fee on client investments allocated to affiliated Investment Partnerships.

Unaffiliated Private Funds

EIA may also provide investment advice regarding unaffiliated private investment funds. EIA, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds, the complete description of which (the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in each fund's offering documents. EIA's role relative to these unaffiliated private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) will be included as part of "assets under management" for purposes of EIA calculating its investment advisory fee. EIA's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Affiliated Fund Managed by EIA -Excelsior Endurance Fund LP

EIA is the investment adviser to the Excelsior Endurance Fund LP ("Excelsior Endurance"). Excelsior GP LLC serves as the general partner to the investment partnership. As noted above, EIA and its affiliate, FCCI, manage investment partnerships for individuals and/or small businesses, pooled investment vehicles and charitable

organizations. EIA researches, identifies, interviews, evaluates, selects, and monitors the third-party investment managers (the "Designated Managers") selected to manage the assets of Excelsior Endurance. The fund is a fund of funds. EIA manages the fund's overall investment position, including on-going evaluation of the Designated Managers, and makes periodic changes in the allocation of funds to existing and new Designated Managers as it deems appropriate.

Excelsior Endurance Fund L.P. is a Delaware limited partnership with an investment objective, as described in the funds' Limited Partnership Agreement, to seek capital appreciation, with generation of income as a secondary objective. In seeking to achieve the investment objective, the Adviser will seek to achieve a rate of return that, over time, exceeds the average return that would be achieved by a hypothetical investment portfolio that is comprised of 50% investment in each of: (1) the S&P 500; and (2) the Bloomberg Barclays US Aggregate Bond Index. However, no assurance can be given that the Partnership's investment objective will be achieved, and investment results may vary substantially on a monthly, quarterly, annual and/or other periodic basis.

Some Designated Managers will have redemption or withdrawal features (e.g., on a monthly, quarterly, or other basis following appropriate notice) and others will be illiquid due to a lockup or gate. EIA monitors the performance of Designated Managers and may, subject to the liquidity policies of the Designated Managers, determine to withdraw or redeem funds from one or more Designated Managers in part or in whole at any time.

SUBADVISORY AND CONSULTING SERVICES

EIA may serve as a sub-adviser and or consultant to unaffiliated registered investment advisers per the terms and conditions of a written Sub-Advisory or Consulting Agreement. Consulting services may pertain to the development and implementation of alternative investments for, or the provision of research and marketing services to, unaffiliated investment advisers offering their own proprietary private placement investments. Services pertaining to private fund portfolio development typically include portfolio construction assistance and ongoing due diligence of underlying (fund of funds) managers and or hedge fund strategies. EIA may also assist third party firms in the creation of proprietary research databases.

When acting as a sub-adviser to an unaffiliated third party adviser, EIA provides ongoing comprehensive research assistance in support of new and existing advisory portfolios. The Registrant conducts ongoing fund, strategy and sector research to support private investment fund portfolio design and allocation. With respect to subadvisory engagements, the unaffiliated investment advisers that engage EIA's sub-advisory services maintain both the initial and ongoing day-to-day responsibility for the fund strategy and investment, including the initial and ongoing determination that various EIA investment strategy recommendations are appropriate for the private fund investment portfolio.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by a client, Registrant may provide financial planning and related consulting services inclusive of its advisory fee as set forth at Item 5 below (exceptions may occur based upon assets under management, special projects, etc., for which the Registrant may charge a separate fee). However, neither the Registrant nor its investment adviser representatives assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. The Registrant does not

monitor a client's financial plan, unless specifically engaged to do so, and it is the client's responsibility to revisit the financial plan with the Registrant, if desired.

Furthermore, although the Registrant may provide recommendations regarding non-investment related matters, such as estate planning, tax planning and insurance, the Registrant does not serve as an attorney or accountant, and no portion of its services should be construed as legal or accounting services. Accordingly, the Registrant does not prepare estate planning documents or tax returns.

To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), (See disclosure at Item 10.C below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives.

If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional(s) (i.e. attorney, accountant, insurance agent, etc.), and not the Registrant, shall be responsible for the quality and competency of the services provided.

Independent Managers. Registrant may recommend that the client allocate a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. Registrant will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation, and client investment objectives. The Registrant generally considers the following factors when recommending Independent Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

The investment management fees charged by the designated Independent Manager(s) are exclusive of, and in addition to, Registrant's ongoing investment advisory fee, subject to the terms and conditions of a separate agreement between the client and the Independent Manager(s). Registrant's advisory fee is set forth in the fee schedule at Item 5 below.

Use of Mutual and Exchange Traded Funds: Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Registrant's initial and ongoing investment advisory services.

In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review

client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

Options Strategies

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by EIA shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by EIA is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct EIA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Please Note: Cash Positions. Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund. ANY QUESTIONS: Registrant's Chief Compliance Officer, Stephen Perrino, remains available to address any questions that a client or prospective may have regarding the above fee billing practice

Cybersecurity Risk. The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Registrant has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more

directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Cash Sweep Accounts. Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, Registrant shall generally purchase a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

Retirement Plan Rollovers—Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. If Registrant provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Registrant is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant, whether it is from an employer's plan or an existing IRA. Registrant's Chief Compliance Officer, Stephen Perrino, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure and CRS, as set forth on Parts 2 and 3 of Form ADV, respectively, shall be provided to each client prior to the execution of any new advisory agreement.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. Registrant does not offer a wrap fee program for its investment advisory services.
- E. As of December 31, 2022, the Registrant had \$12,096,877 in assets under management on a discretionary basis and \$148,958 on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

The Registrant's annual investment advisory fee shall be based upon a blended percentage (%) rate, calculated using the market value and of assets placed under the Registrant's management and the following fee schedule:

| <u>Market Value of Portfolio</u> | <u>% of Assets</u> |
|----------------------------------|--------------------|
| On the First \$1,000,000 | 1.00% |
| From \$1,000,001- \$3,000,000 | 0.75% |
| Greater than \$3,000,000 | 0.65% |

Fee Dispersion. Registrant, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Please Note: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. ANY QUESTIONS: Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding advisory fees.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

The Registrant may provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$5,000.00 to \$25,000.00 on a fixed fee basis and \$500.00 per hour on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Sub-adviser Fee

Sub-advisory fees are negotiable, but typically range to a maximum monthly fee of \$15,000.00, which subadvisory fee is billed in advance. Alternatively, the Client may be engaged on an hourly basis at a rate of \$500.00 per hour. Additionally, the client may be assessed certain additional fees to reimburse EIA for pre-approved travel or project-related expenses. Clients shall be billed quarterly in advance. Clients who engage EIA on an hourly basis may be billed quarterly, in advance or in arrears, as specified in their client agreement. Clients shall receive a pro-rata refund of any advisory fees collected in advance in the event that the advisory relationship is terminated during the engagement period

Consulting Engagement Fee

Consulting fees are negotiable, based upon the nature and amount of services to be provided. Client are generally engaged on an hourly basis, at a rate of \$500.00 per hour and are invoiced directly on a quarterly basis based upon the services provided.

Excelsior Endurance Fund LP - Management Fee

EIA receives a management fee ("Management Fee") calculated and accrued monthly and payable in arrears quarterly, to be calculated based on an annual rate of: (i) with respect to Founders Class Interests, 1.00% of the Partnership's Net Asset Value (the "Founders Class Management Fee"); and (ii) with respect to Investors Class Interests, 1.50% of the Partnership's Net Asset Value (the "Investors Class Management Fee"). The Management Fee shall be payable within ten (10) days after the end of each quarter. A pro rata Management Fee is charged to Limited Partners on any amounts invested or withdrawn during any quarter-annual Fiscal Period.

The General Partner may waive, reduce or rebate the Management Fee attributable to any Limited Partner, including, without limitation, any employee, agent or affiliate of the General Partner. Limited Partner management fees may be waived or reduced based upon the size of the relationship.

Investment Partnerships Expenses

The Partnership will be responsible for all of its operating expenses, including, without limitation, the Management Fee, fees of the Partnership's independent auditors, administrator and custodial fees; fees for the maintenance of the Partnership's books and accounts, including fees of any separate accountants retained for the Partnership; fees of the Partnership's legal counsel incurred in the ordinary course of operation of the Partnership (including, without limitation, litigation fees of the Partnership); registration and licensing fees; fees, costs and expenses related to the sourcing, evaluation, purchasing, holding and sale of investments; fees of any fund administrator of the Partnership; fees incurred in research regarding Partnership investments including expenses incurred in identifying, interviewing, evaluating, selecting and monitoring of Designated Managers and Underlying Funds; expenses incurred in connection with transactions not consummated; expenses related to any leverage facility; fees charged by public accountants for preparing and reviewing financial statements and tax returns for the Partnership; taxes (including withholding and transfer taxes); governmental fees, preparation and distribution of Limited Partners' reports and other communications with Limited Partners and the public; expenses for ongoing Limited Partner support, including, without limitation, visits and meetings with Limited Partners individually or as a group; the costs associated with preparing and delivering market materials (regardless of medium); fees of any custodian or custodians incurred in connection with the holding and transferring of securities and

collecting income therefrom; the costs incurred in connection with professional fees of consultants incurred in connection with the operations of the Partnership; insurance costs; costs of Partnership borrowing facilities, including origination expense, legal and compliance fees, and interest; and other reasonable costs and expenses related to the operation of the Partnership. However, the General Partner will bear any Administrative Expense that are incurred by the Partnership during any calendar month that exceed the Administrative Expense Cap. The "Administrative Expense Cap" means with respect to any calendar month: (i) the Net Asset Value of the Partnership as of the first day of the calendar month; multiplied by (ii) the quotient of 1 divided by 48 (approximately 2.0833 basis points). "Administrative Expense" means expenses that are incurred by the Partnership in its ordinary course of operations; excluding, however, any: (i) Management Fees; (ii) fees that are payable to Designated Managers or Underlying Funds (including, without limitation, advisory and administrative fees); (iii) legal and compliance fees and expenses; and (iv) extraordinary expenses and other expenses of the Partnership not ordinarily associated with day-to-day administration.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that advisory fee to the Registrant in compliance with regulatory procedures.

In the event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. Consulting and sub-advisory clients are invoiced on a quarterly basis for services provided.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Registrant shall generally recommend that Charles Schwab & Company ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge transaction fees for effecting certain securities transactions.

In addition to the Registrant's investment management fee and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Clients engaging *Independent Managers* will incur additional investment advisory fees.

Conflicts of Interest – In the conduct of the Investment Partnership's business, conflicts may arise between the interests of the General Partner and their respective members and affiliates, on the one hand, and those of the Investment Partnership and its Limited Partners, on the other hand. While the General Partner is accountable to the Investment Partnership as a fiduciary and, consequently, must exercise good faith and integrity in handling such business, Clients should be aware of the existence of such conflicts of interest. Among the conflicts which each Client should consider are the following:

- (a) None of the General Partner or their respective members, affiliates, shareholders, directors or officers have any obligation to devote their full time to the business of the Investment Partnership; EIA, and its affiliate FCCI, and the General Partners are required to devote only such time and attention to the affairs of the Investment Partnership as may in its judgment be necessary to accomplish the purposes of the

Investment Partnership. In addition, the General Partner and their respective members, affiliates, shareholders, directors and officers may manage other accounts for which they may be compensated.

(b) The Investment Partnership may use some of the Designated Managers that are the same or different than the investment strategies and techniques used the other affiliated Investment Partnerships. The General Partner and/or their respective affiliates may be investing on behalf of the Investment Partnership while simultaneously withdrawing on behalf of another investment partnership sponsored by the General Partner and/or their respective affiliates or vice versa.

(c) In implementing the investment strategies of the Investment Partnerships, the General Partner will determine the allocation of Investment Partnerships funds to various underlying investments in its sole and absolute discretion. The General Partner, EIA and its affiliates may, from time to time, offer partners or other clients the opportunity to invest in Designated Managers alongside the Investment Partnerships, i.e., side letters. The General Partner and its affiliates are not obligated to arrange such investment opportunities and no partner or client will be obligated to participate in such opportunities. The General Partners and its affiliates have sole discretion as to the amount of investment in Designated Managers that will be allocated to partners and clients, if any.

(d) The General Partner and/or their respective affiliates manage other accounts and provide investment advice to other parties and may decide to invest the funds of one or more other accounts or recommend the investment of funds by other parties, rather than the Investment Partnership's funds, in a particular security or strategy with a particular Designated Manager.

(e) The General Partner and its affiliates will divide their time among the Investment Partnerships and these other accounts and parties as they see fit, and, from time to time, such other accounts and parties may receive a disproportionate share of their attention.

(f) In determining capital allocations among Designated Managers, these Designated Managers may, in their discretion also limit the capacity available to the Investment Partnerships. In these cases, in order to provide for long-term management of the Investment Partnerships, the General Partner and its affiliates may determine to increase the investment in a Designated Manager to a level greater than otherwise would be the case. Such allocations may result in the Partnership's assets being more concentrated from time to time and for substantial periods of time. As a result of any such concentration, the Investment Partnerships assets may be subject to more rapid changes in value than would be the case if the Investment Partnerships assets were less concentrated and the economic returns of the Investment Partnership may thereby be materially adversely affected. In addition, the possibility that a Designated Manager limits the capacity available to the Investment Partnerships, to the extent the Investment Partnerships experience different levels of capital activity from one another, the percentage invested in Designated Managers will vary among the Investment Partnerships.

(g) In determining how to allocate investment opportunities among its clients, the General Partner and its affiliates will take into account the investment objectives of each such investment fund or account, the capital capacity of the Designated Managers, and such other considerations as deemed relevant in its sole and absolute discretion.

Certain Designated Managers to which the Investment Partnerships have previously allocated assets may be closed to new investments or may otherwise limit subscriptions. The General Partner and its affiliates may determine, for various reasons, including, without limit, strategic fit and other portfolio construction considerations, that a Designated

Manager is more appropriately included as part of the portfolio of another of its investment funds or accounts rather than the Investment Partnerships. In such event, the General Partner and affiliates may cause the Investment Partnership to transfer its interest in such Designated Manager to another investment fund or account advised by the General Partner, notwithstanding that such Designated Manager may continue to be an appropriate investment for the Investment Partnership. Any such transfer may give rise to potential conflicts of interest.

(h) The General Partner, its respective principals and/or their respective affiliates may make trades and investments for their own accounts. In these accounts, they may use investment managers, trading and investment methods that are similar to, or substantially different from, the methods used by them to direct the Investment Partnership's assets. The records of these personal accounts are not available to Limited Partners. Subject to internal compliance policies and approval procedures, the principals and/or employees of the General Partner, and/or their respective affiliates may engage, from time to time, in personal trading of securities and other instruments, including, without limitation, securities and instruments in which the Investment Partnerships may invest.

(i) While presently none of the General Partner or any of its respective affiliates own any equity interests in any of the Designated Managers with which the Investment Partnership invests its assets, it is possible that one or more of the affiliates of the General Partner will in the future acquire non-controlling interests in one or more of such Designated Managers. The Partnership Agreements requires the General Partner to exercise its duties with care, skill, prudence and diligence. In the event of a conflict of interest between the Investment Partnership and any other entity managed by the General Partner or any of its affiliates, the General Partner or such affiliate, as the case may be, will resolve such conflict by taking into account the investment objective of each entity (or account), any investment restrictions applicable to each entity and the other available investment options for each entity and will seek to resolve such conflict in a fair and equitable manner.

- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter.

With the exception of a financial planning engagement on a project basis, which may automatically terminate upon the completion of the project, agreements between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Agreement. Upon termination, the Registrant shall invoice the client for the value of services rendered based upon the number of days such services were rendered during the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees. With respect to Excelsior Endurance, the General Partner is NOT entitled to any re-allocation from the account of the Limited Partners to the Capital Account of the General Partner. There is no performance based fee.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, and trusts, estates, other investment advisers, retirement plans and pooled investment vehicles. The investment partnerships offer Interests for a minimum investment of Five Hundred Thousand Dollars (\$500,000), subject to waiver in the sole and absolute discretion of the General Partner.

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

- A. The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Tradition Investment Management Risks

Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

All investment strategies have certain risks that are borne by the investor. Although there is no way to list all risks involved with investing, the following are common risks born by the majority of investors:

Interest Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, bond prices generally fall.

Market Risk: Asset prices may drop in reaction to certain unforeseen events. Also referred to as exogenous risk, this type of risk is caused by external factors independent of a security's particular underlying fundamentals or intrinsic value. For example, geo-political, economic, legislative, and/or societal events may amplify market risk.

Inflation Risk: When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. Some industries and/or companies may have historically demonstrated more stability than others. Economic factors and business functions are constantly changing. Past results are no guarantee of future performance.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product.

Financial Risk: Also referred to as leverage risk. Excessive borrowing to finance a business' operations may lead to financial strain and the ability to generate profits or meet certain obligations. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Counterparty Risk: The risk that each party may not be able to meet its contractual obligations. This may also be referred to as default risk for fixed income investments. In rare circumstances, the underlying securities within registered investment products may become illiquid which may restrict the ability of investors to redeem shares at quoted prices.

Execution Risk: The risk that buy/sell transactions may not be executed at favorable prices. This may occur during periods of abnormal market conditions.

Options Risk: The use of options transactions as an investment strategy involves a high level of inherent risk. Although the intent of the options-related transactions that may be implemented by Registrant is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Investment Partnership Risks

EIA believes that Investment Partnership investment objectives can be achieved with diversified asset management utilizing a number of independent investment managers (the "Designated Managers") that employ Long-Short Equity, Event Driven, Relative Value, Equity and other investment strategies. EIA does not intend to invest Partnership funds directly in any securities or commodities (including futures transactions) other than in securities of pooled investment vehicles operated and in accounts managed by the Designated Managers selected by the Advisers. By pooling the funds invested by Limited Partners, the Limited Partners will be able to obtain the benefit of having their investment diversified among the various Designated Managers selected by EIA to an extent they may not otherwise be able to obtain. EIA will research, identify, interview, evaluate, select and monitor the Designated Managers selected. EIA manages the Partnership's overall investment position, including on-going evaluation of the Designated Managers, and the Investment Advisor makes periodic changes in the allocation of funds to existing and new Designated Managers as it deems appropriate.

Investment Strategies

- **Long-Short Strategies.** A Long-Short Equity strategy involves maintaining a portfolio of both long and short positions in primarily equity and equity derivative securities. A Long-Short equity strategy may employ a variety of investment processes in making investment decisions, including both quantitative and fundamental techniques. Long-Short Strategies may be broadly diversified or narrowly focused on specific sectors and may range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios.
- **Event-Driven Strategies.** An Event-Driven Strategy involves maintaining positions in issuers that currently are, or are anticipated to be, in corporate transactions of a wide variety including, without limitation, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types in Event-Driven Strategies can range from the most senior in the capital structure to most junior or subordinated, and may involve additional derivative securities. Event-Driven Strategies include a combination of sensitivities to equity markets, credit markets and idiosyncratic, company-specific developments. Event-Driven strategy investing is typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.
- **Relative Value Strategies:** Relative Value Strategies involve maintaining positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. A Relative Value Strategy may involve employing a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the underlying portfolio. Relative Value Strategies may also invest in securities of issuers that are involved in, or expected to be involved in, corporate transactions, but as opposed to Event-Driven exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction.
- **Other Strategies:** In addition to the above strategies, the Adviser may invest in Designated Managers who employ other strategies that it believes are consistent with the Partnership's return objective.

The investment strategies, approaches, and techniques discussed herein may evolve over time due to, among other things, market developments and trends, the emergence of new or enhanced investment products, changing industry practice and/or technological innovation. As a result, these investment strategies, approaches, and techniques may not reflect the investment strategies, approaches, and techniques actually employed by the Partnership or the Designated Managers. Nevertheless, the investments made on behalf of the Partnership will be consistent with the Partnership's investment objective.

B. The Investment Partnership Risks and Risk of Loss

The Investment Partnerships may incur certain risks and are suitable only for clients of adequate financial means which have no need for liquidity in these investments. No assurance can be given that the Partnership's investment objective will be achieved, and investment results may vary substantially on a monthly, quarterly, annual and/or other periodic basis. Please refer to disclosure documents, the private placement memorandum and additional information of each partnership offering for a more detailed description of the fund's investment strategy for such partnership offering and the material risks associated with such strategy.

Our Investment Partnerships have certain risks that are borne by the client. Limited Partners should read the entire Private Placement Memorandum to review the risk factors identified by the Investment Partnerships. In addition, as the Partnership develops and changes over time, an investment in the Investment Partnerships may be subject to additional and different Risk Factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred. Our investment approach attempts to mitigate many risks identified, however there can be no assurance risks can be avoided. Clients are exposed in the Investment Partnerships to a variety of risks including market risks, regulatory risks and Investment Partnership risks. A sample of market risks include, but are not limited to, the following risks:

Risk of Loss: An investment in the Investment Partnerships is speculative and involves significant risk. The profitability of the Investment Partnerships ultimately depends upon the Designated Managers chosen by EIA correctly assessing the future price movements of the securities, commodities, preferred and hybrid securities, convertible securities, hedging transactions, swap agreements, temporary investments in liquid assets, and other financial instruments, invests as well as currency risk and inflation risk. Such price movements may be volatile and are subject to numerous factors which are neither within the control of nor predictable by the Designated Managers or EIA. Such factors include, without limitation, a wide range of economic, political, competitive, market, legal, operational and other conditions or events (including, without limitation, natural disasters, acts of terrorism or war) which may affect investments in general or a specific security, commodity or other financial instrument in which the Designated Managers invests. There can be no assurance that the Designated Managers will be successful in accurately predicting price movements. Accordingly, Partners may incur substantial losses on their investments in the Investment Partnerships, and it is possible that the Investment Partnerships performance will fluctuate substantially from period to period.

Market Volatility: As a general matter, the prices of certain of the assets in which the Designated Managers will invest may, from time to time, exhibit high volatility. Price movements of these assets may be influenced by, among other things, interest rates, credit trends, changing supply and demand relationships, regulatory changes and fiscal and monetary programs and policies of governments. There can be no assurance that the Designated Managers will be successful in accurately predicting price and interest rate movements despite efforts to identify and, if applicable, hedge such risks.

Leverage: The Designated Managers selected by the Investment Advisor may employ leverage. This includes the use of borrowed funds and investments in options, such as puts and calls, regulated futures contracts and warrants. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates

generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the Partnership.

Fraudulent Activities: There is a risk that a Designated Manager may knowingly, negligently or otherwise, withhold or misrepresent information regarding the performance of the Designated Manager including, without limitation, the presence or effects of any fraudulent or similar activities (“Fraudulent Activities”). The Investment Partnerships’ performance of its monitoring functions would generally not give the Investment Partnerships the opportunity to discover such situations prior to the time the Designated Manager discloses (or there is public disclosure of) the presence or effects of any Fraudulent Activities.

Accordingly, the Investment Partnerships can offer no assurances that a Designated Manager will not engage in Fraudulent Activities and cannot guarantee that it will have the opportunity or ability to protect the Investment Partnerships from suffering a loss because of a Designated Manager’s Fraudulent Activities.

Options: The Designated Managers may utilize options in furtherance of their investment strategies. Option positions may include both long positions, where a Designated Manager is the holder of put or call options, as well as short positions, where the Designated Manager is the seller (writer) of an option. Although option techniques can increase investment return, they can also involve a higher level of risk compared with their underlying securities. For example, the expiration of unexercised long options effectively results in loss of the entire cost, or premium paid for the option. Conversely, the writing of an uncovered put or call option can involve, similar to short selling, a theoretically unlimited risk of an increase in the Investment Partnerships’ cost of selling or purchasing the underlying securities, commodities or other instruments in the event of exercise of the option.

The Registrant may engage in options transactions for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security, depending upon the nature of the option contract. Generally, the purchase or sale of an option contract shall be with the intent of “hedging” a potential market risk in a client’s portfolio and/or generating income for a client’s portfolio. Please Note: Certain options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts. Please Also Note: There can be no guarantee that an options strategy will achieve its objective or prove successful. No client is under any obligation to enter into any option transactions. However, if the client does so, he/she must be prepared to accept the potential for unintended or undesired consequences (i.e., losing ownership of the security, incurring capital gains taxes).

Covered Call Writing.

Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create partial downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) to lose ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.

Long Put Option Purchases.

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option can increase in value depending upon the strike price and expiration. Long puts are often used to hedge a long stock position to protect against downside risk. The security/portfolio could still experience losses depending on the quantity of the puts bought, strike price and expiration. In the event that the security is put to the option holder, it will result in the client (option seller) to lose ownership in the security and to incur potential unintended tax consequences. Options are wasting assets and expire (usually within months of issuance).

Derivative Instruments: Designated Managers may invest underlying fund capital with or through third parties through swaps, total return swaps and other derivative instruments. Designated Managers may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with their investment objectives and legally permissible. Special risks may apply to instruments that are invested in by the Designated Managers in the future that cannot be determined at this time or until such instruments are developed or invested in by the Designated Managers. Certain swaps, total return swaps and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Concentration of Holdings: At any given time, a Designated Manager’s assets may become highly concentrated within a particular company, industry, asset category, trading style or financial or economic market. In that event, the Designated Manager’s portfolio will be more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular company, industry, asset category, trading style or financial or economic market, than a less concentrated portfolio would be. As a result, if a Designated Manager’s investment portfolio becomes concentrated, its aggregate return may be volatile and may be affected substantially by the performance of only one or a few holdings. The Designated Managers are not obligated to hedge their positions.

Systemic Risk: World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in the Designated Managers losing substantial value caused predominantly by liquidity and counterparty issues (as noted above), which could result in the Investment Partnerships incurring substantial losses.

Non-U.S. Investments; Emerging Market Risk: A Designated Manager may invest all or a portion of its assets in non-U.S. securities and interests denominated in non-U.S. currencies and/or traded outside of the United States, including emerging market securities and interests. Such investments require consideration of certain risks not typically associated with investing in securities traded in the United States or other assets. Such risks include, among other things, unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation, confiscatory taxation, and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Proprietary Investment Strategies: Designated Managers may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to the Advisor or the Investment Partnerships. These strategies may involve risks under some market conditions that are not anticipated by the Advisor or the Investment Partnerships. The Designated Managers generally use investment strategies that are different than those typically employed by traditional managers of portfolios of stocks and bonds and may involve significantly more risk and higher transaction costs than more traditional investment methods. Additionally, it is possible that the performance or the specific investments of the Designated Managers may be closely correlated to each other in some market conditions, resulting (if those returns are negative) in significant losses to the Partnership and its investors.

Counterparty Creditworthiness: The Investment Partnerships engages Designated Managers that deal in securities, financial instruments and commodities that involve counterparties. Such Designated Managers may also purchase and sell commodity interests in connection with their investment strategies. Further, a Designated Manager may not be required to evaluate the creditworthiness of a counterparty. Under certain conditions, a counterparty to a transaction could default or the market for certain securities, financial instruments or commodities may become illiquid. In any case, these Designated Managers could experience liquidity problems. Liquidity Risk: A substantial portion of the investments made by the Investment Partnerships will lack liquidity. Some of the Designated Managers only permit the Investment Partnerships to withdraw its assets at specified times (i.e., annually, semi-annually or quarterly) and many Designated Managers have the right to suspend the payment of withdrawals under certain circumstances. Furthermore, though it is intended that investments by the Investment Partnerships will be with Designated Managers which invest in securities, commodity futures or other financial instruments traded on listed exchanges, some may be thinly traded. This could present a problem in realizing the prices quoted and in effectively trading the position(s). In certain situations, Designated Managers may invest in illiquid investments which could result in significant loss in value should the Designated Managers be forced to sell the illiquid investments as a result of rapidly changing market conditions or as a result of margin calls or other factors.

Market Dislocation and Illiquidity: Recent events in the sub-prime mortgage market and other areas of the fixed income markets in the United States have caused significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high-yield bond markets. These events have had repercussions on the global financial markets,

including the markets in which Designated Managers trade and invest, by restricting the availability of credit generally, and reducing liquidity levels across virtually all markets globally. The foregoing events could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect certain of the Designated Managers' investments. Such marketplace events also may restrict the ability of certain Designated Managers to sell or liquidate investments at favorable times and/or for favorable prices and/or cause Designated Managers and/or the Partnership to have limited access to credit. Certain Designated Managers may be adversely affected by a decrease in market liquidity (e.g., by impairing such Designated Manager's ability to adjust its positions and risk in response to trading losses or other adverse developments). The size of a Designated Manager's positions may magnify the effect of a decrease in market liquidity for the instruments traded.

Changes in the overall market leverage (e.g., deleveraging or liquidations by other market participants of the same or similar positions) also may adversely affect a Designated Manager's positions.

Current Market Conditions: Certain events can increase volatility and exacerbate market and business risk, such as changes in government policies, political turmoil, environmental events, and epidemics, pandemics or other public health issues. For example, the outbreak of the novel coronavirus disease (COVID-19) has resulted in border closures, quarantines, travel restrictions, cancellations, disruptions to supply chains and other business activities, changes in consumer demand for goods and services, as well as general concern and uncertainty, causing significant disruptions to (and volatility in) global and domestic business activity and financial markets. The long term effects of COVID-19 are currently difficult to assess. While the longer-term scope of the potential global and domestic impact of COVID-19 cannot be known at this time, the outbreak of COVID-19 (or any other serious public health concern), is likely to have a profound negative impact on market and business conditions (including market and business conditions that effect the business of the Partnership as well as Underlying Funds) and trigger economic downturn. Any negative economic impact resulting from COVID-19 (or any other serious public health concern) could adversely affect the performance of the Partnership and the Underlying Funds. As a result, the effects of COVID-19 present material uncertainty and risk with respect to the Partnership and an investment therein as well as any investments in Underlying Funds.

Short Sales: Designated Managers may sell securities short. Selling securities short risks losing an amount greater than the proceeds received. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. The Designated Managers may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if the Designated Managers are otherwise unable to borrow securities which are necessary to cover their positions.

The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of

market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, the Registrant primarily recommends that clients allocate investment assets among various mutual funds, ETFs, Investment Partnerships and Designated Managers on a discretionary basis in accordance with the client's designated investment objective(s).

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Other Investment Adviser.** The Registrant's Management Members, Stephen Perrino and Carl Friedrich, are also affiliated with the Registrant's related adviser, FCCI, a SEC registered investment adviser (SEC# 801-57352/CRD# 111457). Registrant's representatives may recommend that clients participate as limited partners in private placement offerings managed by FCCI.

Conflict of Interest The recommendation by Registrant's representatives that a client invests in private placement offerings managed by FCCI presents a conflict of interest, as the management fees collected in connection with management of the private funds may provide an incentive to recommend such investment products based on management fees received, rather than on a particular client's need. No client is under any obligation to purchase any investment product managed by FCCI or EIA.

The Registrant's Chief Compliance Officer, Stephen Perrino, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Affiliated Private Fund managed by FCCI

As noted above, certain supervised persons of EIA are also supervised persons of FCCI and the General Partners to its affiliated funds (Excelsior Management and Excelsior Opportunity Management) where FCCI serves as an investment advisor to the affiliated Investment Partnerships

noted at Item 4. FCCI receives a management fee for allocation for its services. The Investment Partnerships operate under what is known as the Section 3(c)(1) exemption which requires that all of the eligible investors be "accredited investors" as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. The terms and conditions for participation in the Private Fund, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering and constituent documents. EIA's clients are under no obligation to consider or make an investment in any Investment Partnership Private Fund.

Affiliated Private Fund -Excelsior Endurance Fund LP

EIA is under common control with the General Partners and serves as an investment advisor to the affiliated Investment Partnership noted at Item 4. EIA receives a management fee for allocation for its services. The Investment Partnership operate under what is known as the Section 3(c)(1) exemption which requires that all of the eligible investors be "accredited investors" as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. The terms and conditions for participation in the Private Fund, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering and constituent documents. EIA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them. EIA does not recommend or select other investment advisers for its clients for which it receives direct or indirect compensation.

Please Note: EIA does not charge individual clients a direct investment advisory fee on assets allocated to its affiliate Investment Partnerships. The recommendation that a client become an investor in an Investment Partnership could present a potential conflict of interest. No client is under any obligation to become an investor in the any fund sponsored by FCCI or any of its affiliates.

EIA's Chief Compliance Officer remains available to address any questions regarding this potential conflict of interest.

- D. The Registrant does not receive, directly or indirectly, compensation from Independent Managers that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are

also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons”. The Registrant’s securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

As disclosed above, EIA principals’ own interests in related entities which act as general partners in Investment Partnerships in which they solicit client investments. EIA principals also have a financial interest in affiliated private funds. EIA, on a discretionary basis, manages certain client accounts which are invested in the affiliated private funds. The terms and conditions for participation in the affiliated private funds, including management fees, conflicts of interest, and risk factors, are set forth in the fund’s offering documents. EIA will charge an investment management fee on Fund positions in client portfolios. EIA’s clients are under absolutely no obligation to consider or make an investment in a private investment fund(s), or to maintain such an investment. EIA and/or representatives of EIA may buy or sell securities that are also recommended to clients by Designated Managers. However, EIA does not know of or is not aware of the transactions placed by these Designated Managers until after the fact. This practice may create a situation where EIA and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Registrant to use a specific broker-dealer/custodian), Registrant recommends that investment

management accounts be maintained at *Schwab*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal advisory agreement with the Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Registrant considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with Registrant's duty to seek best execution (to the extent that such commissions or transaction fees are charged by the custodian), a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from *Schwab* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products received may assist Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by Registrant to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

As indicated above, certain of the support services and/or products received may assist Registrant in managing and administering client accounts. Others do not directly provide

such assistance, but rather assist Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by Registrant to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. Registrant does not receive referrals from broker-dealers.
3. Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to “batch” the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant’s Managing Member and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review

financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

Investment Partnership limited partners receive periodic communications on at least a quarterly basis. Reports furnished to clients include a quarterly capital account statement and a quarterly performance letter. Reports are provided electronically either by email or electronic means.

- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant receives an economic benefit from broker-dealers. The Registrant, without cost (and/or at a discount), receives support services and/or products from broker-dealers.

There is no corresponding commitment made by the Registrant to a broker-dealer or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

- B. If a client is introduced to EIA by either an unaffiliated or an affiliated solicitor, EIA may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from EIA's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to EIA by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of EIA's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation between EIA and the solicitor, including the compensation to be received by the solicitor from EIA.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.

The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

The Registrant engages in other practices and services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations which permit the qualified custodian to rely upon instructions from the Registrant to transfer client funds to "third parties." These arrangements are reflected at ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

EIA has custody of Investment partnership cash and securities due to the role of investment adviser and because each owner of EIA is also an owner of the general partner for the investment partnership.

To meet EIA's obligations under custody rules, the fund is subject to an annual audit as previously described and all Limited Partners are sent:

- (i) annual audited financial statements,
- (ii) a monthly statement prepared by the fund administrator, NAV Consulting,
- (iii) a quarterly letter from the General Partner discussing the results of the Investment Partnership for the quarter just ended, and
- (iv) copies of such Limited Partner's Schedule K-1 to the Investment Partnership's tax returns.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not require clients to pay fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

The Registrant's Chief Compliance Officer, Stephen Perrino, remains available to address any questions that a client or prospective client may have regarding the disclosures in this Brochure.