

FORM ADV: Uniform Application for Investment Adviser Registration

Part 2A - Firm Brochure

Item 1: Cover Page

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| Name of Investment Adviser: | JCAPMC LP |
| Business Address: | Irvine, CA |
| Telephone Number: | (650) 600-1000 |
| Date of Brochure: | March 17, 2023 |

This brochure (the "Brochure") provides information about the qualifications and business practices of JCAPMC LP, an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). The Firm's registration does not denote a certain level of skill or training.

The information set forth herein has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact JCAPMC LP at (650) 600-1000. Additional information about JCAPMC LP is available on the SEC's website: www.adviserinfo.sec.gov.

Item 2: Material Changes

Because this is an initial filing, there are no material changes from prior filings to report.

Item 3: Table of Contents

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Item 4: Advisory Business

JCAPMC LP ("JCAP", the "Adviser", or the "Firm") is an investment management firm founded in 2020 that maintains its principal place of business in Irvine, California. JCAP is principally owned by Joseph Choi (the "Principal").

JCAP intends to offer discretionary investment advisory services to separate investment accounts maintained by its advisory clients ("Clients"). The Firm uses quantitative analysis, specifically, mathematical and statistical methods to uncover technical indicators that drive the automated trading systems. These systems are the product of extensive research efforts by the Firm's technical staff who hold advanced degrees in mathematics and the sciences. The Firm's quantitative analysis and trading activities are applied to mature, highly liquid, publicly traded instruments in the following asset classes: U.S. and non-U.S. equities, as well as derivatives thereon.

JCAP does not allow a particular Client to tailor the Firm's advisory services in respect of such Client's investment objectives, restrictions and guidelines. Clients are not permitted to impose restrictions on investing in specific financial instruments or types of financial instruments for their accounts.

JCAP has registered as an investment adviser as it expects to have regulatory assets under management sufficient to be eligible to register within 120 days of its registration.

Item 5: Fees and Compensation

The Firm's fees are set forth in each Client's respective advisory agreement. They are not negotiable. Generally, Clients are assessed (i) a management fee equal to a percentage of the net asset value of the Client account interest and, (ii) performance-based compensation, which is calculated as a percentage of the Client accounts net profits or net capital appreciation (realized and unrealized) allocated to the investor's account. Management fees, if applicable, are payable regardless of profitability and may be charged during periods of loss. All performance-based allocations, if applicable, are charged in accordance with Rule 205-3 under the Investment Advisers Act of 1940.

Management fees, calculated at an annual rate of 3.00% of the value of the Clients' account, are paid to the Firm monthly in advance based on the value of each capital account at the beginning of that month. JCAP also receives performance-based compensation from its Clients, as agreed and set out in the advisory agreement between JCAP and the applicable Client. A performance allocation, 30.00% of net profits, payable to the Firm as of the end of each month, is calculated as a percentage of net profits (both realized and unrealized) allocated to each interest or share for the preceding one-month period. To the extent that Client accounts suffer losses, all such losses must be recouped before the Firm is entitled to a performance allocation with respect to such interest or share. Once made, a performance allocation is nonrefundable.

The Firm's Clients bears the following expenses:

1. transaction costs and investment-related expenses incurred in connection with trading activities, including margin interest (if any), brokerage, clearing, and custodial expenses;
2. in connection with specific transactions, certain professional fees for independent accountants, attorneys, or other experts or consultants;
3. interest, fees, and costs of Fund-related borrowings;
4. interest due to investors in connection with redemptions;
5. certain operational and overhead expenses not paid by the Firm;
6. extraordinary expenses (e.g., litigation costs and indemnification obligations), if any; and
7. taxes and fees payable to governmental agencies or authorities.

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

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

As described above, the Adviser is eligible to receive performance-based fees from Client accounts. A significant percentage of the appreciation of Client assets which would otherwise be allocated to the Client is paid to JCAP as performance-based fees. This performance-based compensation is based upon unrealized, as well as realized, gains, and such unrealized gains may never be recognized by the Client. It should be noted that the possibility for the Adviser to receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for JCAP to make investments that are riskier or more speculative than would be the case in the absence of such a performance-based fee. Investors are provided with clear disclosure as to how performance-based compensation is charged with respect to a particular Client and the risks associated with such performance-based compensation prior to making an investment.

The precise amount of, and the manner and calculation of, the performance-based fees for the Client is disclosed in the applicable advisory agreement. As of now, all Client accounts will be subject to the same performance-based fee schedule outlined above. If performance-based fees varied from Client to Client, this may result in a potential conflict of interest, as it could provide JCAP with an incentive to favor the Clients from which JCAP receives substantial performance-based compensation over Clients from which JCAP receives only asset-based management fees, or a lesser amount of performance-based compensation, by, for example, seeking to allocate more profitable investment opportunities to the Clients for which JCAP receives greater amounts of performance-based compensation. However, JCAP generally intends to trade and invest in liquid, exchange-traded products, and has implemented an equitable allocation methodology in cases where orders for multiple Clients are aggregated, which JCAP believes mitigates these conflicts.

Item 7: Types of Clients

JCAP offers investment advisory services to institutional investors, including (but not limited to) investment funds sponsored and operated by other investment advisory firms. Client accounts are generally subject to a minimum initial investment, unless such minimum is waived by JCAP in its sole discretion.

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

The following is a general discussion of the methods of analysis, investment strategies and the risk of loss associated with JCAP's overall investment strategy. These risk factors may change over time. There can be no assurance that Clients will achieve their objectives or that Clients will not incur losses. Investors must be prepared to lose all or substantially all of their investment.

As stated above, JCAP uses quantitative analysis, specifically, mathematical and statistical methods, to uncover technical indicators with predictive value. This analysis is used to construct proprietary computer models that use publicly available financial data to identify and implement trading decisions. The Firm uses these computational trading models to seek appreciation of assets through speculative trading in securities-related transactions.

Investors should be aware that investments are speculative and volatile, involve a substantial degree of risk, and are suitable only for investors who can tolerate significant risk. Past performance is not indicative of future performance, and there is no assurance that any of the Clients will achieve their investment objectives, particularly in periods of market turmoil. Investors may experience a loss of some or all of their investments, including losses amplified as a result of the use of leverage. Positions and transactions will generally not be disclosed to investors, and investors do not participate in management decisions.

THE FOLLOWING IS A BRIEF SUMMARY OF THE MATERIAL RISKS ASSOCIATED WITH THE FIRM'S METHODS OF ANALYSIS AND INVESTMENT STRATEGIES:

The investment programs of JCAP are speculative and involve a high degree of risk. There is no assurance that the Firm's computational and risk management techniques and investment decisions will

protect the Client from significant losses. In addition, there is no assurance that the Firm's analytical techniques will protect the Client from trading losses, which could be significant and extended, if the underlying patterns of market behavior studied by the Firm (which provide the basis for its statistical models) change in ways the Firm did not anticipate.

JCAP will make significant use of quantitative and "algorithmic" or "black box" trading strategies or systems in its trading on behalf of Clients. Algorithmic trading is generally accomplished through the use of computer algorithms and systems to automatically make trading decisions, submit orders, and manage those orders after submission, all without human intervention. JCAP's algorithmic trading activities, including risk management, depend on the integrity and performance of the hardware, software and communications systems supporting them, including, without limitation, co-location hardware and components rented from third-party service providers or vendors. Extraordinary transaction volume, hardware or software failure, programming defects or flaws, power or telecommunications failure or a natural disaster, including, without limitation, in respect of any co-location, could cause JCAP's computer systems to operate at an unacceptably slow speed or even fail. Any significant degradation or failure of the systems JCAP uses to gather and analyze information, enter transaction orders, process data, monitor risk levels and for other purposes may result in substantial losses on transactions, liability to other parties, lost profit opportunities, increased operational expenses and/or diversion of technical resources.

Additionally, the algorithmic trading undertaken by JCAP relies upon quantitative models and systems. Such models and systems may entail the use of sophisticated statistical calculations and complex computer systems and algorithms, and there is no assurance that JCAP will be successful in carrying out such calculations correctly or that the use of these quantitative models and systems will not expose Clients to the risk of significant losses. The efficacy of the trading signals produced by JCAP's models and systems is dependent on a number of factors, including, without limitation, the analytical and mathematical foundation of such models and systems, the accurate incorporation of such principles in a complex technical and coding environment, the quality of the data introduced into such models and systems, and the successful deployment of the outputs into the investment process. In addition, the analytical techniques used by JCAP cannot provide any assurance that Clients will not be exposed to the risk of significant trading losses if the underlying patterns that form the basis for the quantitative models and systems employed by JCAP change in ways not anticipated by the Firm. Furthermore, given the rapid speed with which orders are entered into the market by an algorithmic trading system, any errors or "bugs" in such algorithmic trading system, or any human error, could result in a significant amount of erroneous orders being submitted to the market, which could result in significant trading losses for JCAP's Clients. Finally, the effectiveness of quantitative models and systems may diminish over time, and attempts to apply existing quantitative models and systems to new or different markets, strategies or financial instruments may prove ineffective.

Furthermore, JCAP depends on the proper and timely function of complex computer and communications systems maintained and operated by or for the exchanges on which JCAP executes transactions, Clients' clearing brokers and other data providers. Failures or inadequate or slow performance of any of these systems could adversely affect JCAP's ability to timely complete transactions, including JCAP's ability to close out positions, and result in lost profit opportunities and significant losses on transactions.

A substantial portion of JCAP investments on behalf of its Clients are expected to be based on statistical arbitrage strategies. Statistical arbitrage strategies involve taking advantage of historical price relationships between financial instruments. The price relationships are generally simulated with statistical or other mathematical models constructed using historical data. Positions are entered into when the models indicate that there is an opportunity to profit from anticipated price movements. The relative value and arbitrage markets in which JCAP's Clients are expected to participate, as well as the other markets and strategies in which JCAP's Clients may participate, are extremely competitive. There can be no assurance that JCAP will be able to identify or successfully pursue attractive investment opportunities in this environment. JCAP's investments for its Clients are expected to involve substantially more company-specific and market risk and associated volatility in the future than in the past, as arbitrage and similar opportunities may be further reduced or eliminated. JCAP and its Clients may compete with many

firms that have substantially greater financial resources, more favorable financing arrangements, larger research staffs and more securities traders than are available to such persons.

The Firm's strategies and trading systems make extensive use of computers. The use of a computer in collating information or in developing and operating a trading method does not assure the success of the method. A computer is merely an aid in compiling and organizing information and in executing algorithms developed by human beings. No assurance is given that the trading decisions based on computer-generated information (and/or, in certain cases, human intervention) will produce profits. In addition, while JCAP monitors systems and markets continuously, on occasion it may intervene in its computer trading systems: (i) in rare circumstances, including during periods of market distress, as a form of risk management when, in its view, risk is substantially higher than that perceived by the trading models; (ii) to manually input corrections or updates to the data or operational parameters used by the computer system; (iii) to address regulatory-related matters; or (iv) based on other exceptional or compelling circumstances that may arise. Notwithstanding the foregoing, JCAP retains discretion not to intervene even if the Client's performance diverges significantly from its investment objectives. An intervention or a decision not to intervene could each negatively affect the Client's performance or its ability to meet its investment objectives.

Trading decisions made by the Firm are based on a variety of statistical models, including forecast models, risk models, and cost models. The profitability of a Client account depends on the accuracy of the underlying forecast and cost models, and the risk control of the Client account relies on the accuracy of the risk models. No assurance can be given of the models' accuracy. Flaws in these models hinder the Client in achieving their investment objectives.

JCAP relies to a material extent on a wide range of intellectual property systems, including computer hardware and software systems and telecommunications systems, in substantially all phases of its operations, including research, valuation, trade identification and construction, trade execution, clearing, risk management, back office functions and reporting. Intellectual property systems are subject to a number of inherent and unpredictable risks. For example, there may be material undiscovered errors in software programs; software and/or hardware may malfunction and/or degrade; electronic and telecommunications delivery may fail; security breaches may lead to unauthorized trades or stolen intellectual property; services provided by third-party vendors to support the intellectual property systems may be interrupted; and computer-driven trading errors may occur. It is likely that such errors and any related losses would not constitute reimbursable trade errors under our policies.

The Firm's trading activities and, therefore, its profitability are affected by the trading activities of other market participants. Other participants may develop (or have already developed) statistical models or trading strategies that have similarities to those used by JCAP, which could lead to correlation in trading between the Client and those other market participants. Any such correlation can have a negative impact on the profitability of the Client account's models, particularly when any of these market participants unwind, or partially unwind, their portfolios, as happens from time to time, including during periods of market turmoil.

The success of the Firm's trading strategy depends on its ability to implement the trading signals generated by the Firm's models through prompt executions of orders. If the Firm is unable to obtain prompt executions at desired prices, the Firm's performance may be adversely affected.

Many countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu, and, currently, COVID-19, which the World Health Organization has declared to be a pandemic. The epidemic or pandemic outbreak of an infectious disease, together with any resulting restrictions on travel, transportation, or production of goods or quarantines imposed, will likely have a negative impact on the business activity in some if not all of the countries in which the Firm may invest and on the national, regional, or global economy, thereby adversely affecting the performance of the Firm's investments.

A continuation or escalation of the COVID-19 outbreak could see a continual and drastic decline in global economic growth resulting in, among other things, recessions or depressions. COVID-19 has led to

significant volatility in the global financial markets, and COVID-19 and any future outbreak of an infectious disease or any other serious public health concern may lead to additional volatility and illiquidity of the Firm's investments, the imposition of emergency or extraordinary regulatory restrictions on markets and trading activities, and significant interruption in the normal business activity of JCAP and its other service providers (including financial intermediaries), which could materially harm the account's investments and negatively affect the performance of the Firm.

The U.S. and other financial markets around the world and their participants, including the financial intermediaries through which the Firm clears or executes their transactions or have contractual relationships with, can be adversely affected by unusual market turmoil such as during the COVID-19 pandemic. A more recent example is Russia's military invasion of Ukraine in February 2022, which resulted in the U.S. and other countries imposing significant, wide-ranging economic sanctions against Russia, which could result in significant market disruptions and adversely affect certain financial instruments in which the Firm invests. The occurrence of any market upheavals of the type described above and the ensuing market, legal, regulatory, reputational, or other consequences are unpredictable but can be expected to have an adverse effect on a Client's business, trading, and profitability and restrict its ability to acquire, sell, or liquidate financial instruments at favorable times or prices (thereby also restricting the Client's ability to generate cash to fulfill redemption requests) and therefore impede the Client's ability to achieve its investment objectives.

Trading in equity securities on markets outside of the U.S. exposes the Firm to additional risks. Non-U.S. securities markets may not be as developed, liquid, or efficient as those in the U.S., and equity securities of non-U.S. issuers may be less liquid and their prices more volatile than comparable securities of U.S. issuers that are traded on U.S. exchanges. Additional risks include market closures for extended periods of time, trading halts, circuit breakers, freezing of accounts, or withholding of proceeds from dividends, corporate actions, or profits. Non-U.S. markets and non-U.S. issuers of securities may be subject to different regulations than are U.S. markets and issuers. Custodial and brokerage expenses for transactions in non-U.S. equity securities may be higher than for transactions in U.S. securities. Since non-U.S. securities are often purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected by changes in currency rates and exchange control regulations.

Securities and other derivatives thereon cannot always be liquidated at the desired price. In particular, it is difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. Market disruptions, which may occur when governments take or are subject to political actions that disrupt the markets in their currency or their major exports or when exchanges impose trading halts, circuit breakers, or other trading limitations or restrictions, can also affect market liquidity. Periods of market illiquidity occur from time to time, and the events that trigger them are difficult to predict. The size of the positions acquired in any instruments, as well as the size of the trading accounts controlled by JCAP, may also increase the risk of illiquidity. There can be no assurance that market illiquidity will not cause losses for the Firm.

The prices of securities and other derivatives are subject to unpredictable changes, which can be rapid and substantial. Such changes may result from, among other things, changing supply and demand relationships; changes in national and international interest rates, rates of inflation and deflation, and currency controls; stock-loan availability; exchange requirements; currency fluctuations; U.S. and foreign political and economic events; changes in government trade, fiscal, economic, and monetary policies and programs; devaluations and revaluations of financial instruments; changing sentiments of the marketplace; and other world events, including without limitation the outbreak of epidemics or pandemics, natural disasters, terrorist attacks, or military conflicts. Governments and regulators from time to time intervene in certain markets, often with the intent to influence prices. For example, in response to market conditions resulting from the COVID-19 pandemic, various regulators imposed (and may in the future impose) limits or prohibitions on engaging in short sales, potentially impeding the Firm's ability to fully execute its trading strategy. Governments or applicable regulatory authorities can also, for example, close markets or limit their hours of trading.

In addition, the Firm's financial intermediaries may encounter financial difficulties that could impair the Firm's operational capabilities or capital positions. If one of the Firm's financial intermediaries becomes insolvent, bankrupt, or unable to satisfy creditor claims, deliver securities in its custody, or execute transactions, the Firm will be subject to various risks of loss, the nature of which will vary depending on the financial intermediary's role, which may include without limitation, acting as a prime broker, a securities lending counterparty, and/or a swap counterparty. The adverse consequences for a financial intermediary's financial deterioration may be more severe if the Firm has multiple relationships with the financial intermediary acting in one or more of the capacities described above. This risk is magnified if the Firm deals with a financial intermediary and one or more of its affiliates, with multiple affiliates acting in different capacities. An additional layer of complexity is added if the various relationships involve multiple products with different insolvency treatments or service providers and counterparties in non-U.S. jurisdictions. Business conducted with non-U.S. counterparties may also not be afforded certain of the protective measures provided by U.S. laws and regulations. Multiple relationships can make it more difficult for the Firm to recover assets from or assert claims against the financial intermediary and its affiliates. The Firm relies on third parties to regularly assess counter parties' creditworthiness and generally do not have access to information to enable them to anticipate the financial deterioration of a particular financial intermediary. Any financial difficulties experienced by a financial intermediary can affect its creditworthiness and prevent it from performing services for the Firm, which can impair the Firm's ability to execute and settle transactions.

When permitted by law, the Firm may enter into privately negotiated derivatives transactions with counterparties that are based on the performance of underlying reference assets, including total return swaps based on the performance of certain equity securities. Derivatives involve several risks, some of which depend on whether the derivative is cleared with a central party or clearinghouse as mandated by various regulatory regimes. Risks associated with cleared swaps are similar to those associated with futures. If a clearinghouse used by the Firm is unable to meet its obligations for financial or other reasons, this could have a significant and adverse effect on the Firm and its Clients, including causing substantial losses. Uncleared swaps or derivatives involve additional risks, including the risk of loss of the amount expected to be received under a swap or derivative in the event of the counterparty's refusal or inability to perform. The Firm is subject to risks relating to the creditworthiness and possible insolvency of the counterparties and general market, liquidity, and operational risks that may affect them, the risk of adverse changes in market conditions, and the risk of substantial costs for creating and maintaining the transaction.

Changes in existing law and government regulations can adversely affect the returns of the Firm or the ability to conduct business. Such changes are beyond the Firm's control and can occur relatively quickly. For example, in response to volatile markets, a number of European regulators have imposed (and may in the future impose) limits or prohibitions on engaging in short sales, which in turn can impede the Firm's ability to fully execute its trading strategy. New interpretations of existing laws and regulations might also make the Firm a target of regulatory suits or proceedings. A second example involves the London Interbank Offered Rate ("LIBOR"), which is scheduled to be completely discontinued as a reference rate for any financial instrument after 2023. While the financial instruments in which the Firm trade and invest generally have not and do not use LIBOR as a reference rate, the discontinuation of LIBOR has the potential to, among other things, result in uncertainty as to the value of a reference rate or the functioning, liquidity, or value of certain financial contracts; regulatory actions that adversely affect certain markets or specific financial contracts; and/or adverse ramifications for the Firm's counterparties, all of which could have a negative impact on the Firm's performance or profitability. While to date, none of those have occurred in a manner that has had an impact on the Fund, since the LIBOR transition is not yet complete, there is no assurance that this will continue to be the case. In recent years, new laws and regulations have provided additional oversight of financial markets around the globe. These include more stringent registration and disclosure requirements and other heightened oversight requirements for accounts and their advisers; additional or increased restrictions with respect to certain trading techniques and related financial instruments (e.g., short sale restrictions, clearing and trading of over-the-counter derivatives, and enhanced speculative position limits); potential changes in the tax treatment of U.S. and non-U.S. investment vehicles and their advisers; the creation of a single systemic risk regulator with oversight and authority over substantially all of the U.S. financial system; and other substantial changes in the broader

legal and regulatory framework in which such funds operate. Many of these changes are found in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”). While many provisions of the Dodd-Frank Act have become effective, some important implementing rules and regulations (including many relating to security-based derivatives) have not yet become effective, so their full impact is unknown. The regulation of private investment vehicles and their transactions is also subject to future modification by further legislative, executive, or regulatory action as well as judicial review. In addition, federal, state, local, or foreign regulations may impose reporting or other disclosure requirements relating to, among other things, type of security, position size, or issuers in particular industries. These requirements may impose an onerous administrative burden on the Firm or require the disclosure of confidential information. As a result, the Firm may initiate certain holding limits or reduce the size of certain positions, which actions it would not take absent the need to comply with or address the impact of these regulations.

Investments generally are valued by the Firm based on publicly available prices; however, in some circumstances there may be no independent valuation source available, and a different valuation will be applied with a view towards reaching a commercially reasonable result. There is no assurance that all such valuations will be correct or even available at any given time.

The Firm uses various risk control measures – including adjustments to reserves and regular monitoring of financial intermediaries – to attempt to reduce market, counterparty, and other risks. There is no assurance that these risk control measures will be successful. In addition, the Firm engages in hedging activities to attempt to reduce various risks. There is a substantial risk, however, that such hedges will not be effective in limiting losses. In fact, such hedges could result in a substantial loss, notwithstanding the fact that they were intended to reduce risk. Many hedging instruments can encumber a small amount of cash relative to the magnitude of the risk assumed. Furthermore, many hedging instruments may result in a loss if the other party to the transaction does not perform as promised. Moreover, governmental actions that inhibit the Firm's ability to engage in certain transactions can impede the Firm's ability to hedge its investments.

Investors may also incur tax-related risks and should discuss such risks with their tax advisers.

The Firm relies on the Firm's information technology and data management systems and those of their service providers. These systems can fail or be subject to interruption, damage, or destruction caused by natural or man-made occurrences, for example, natural disasters; quarantines and other mobility or access restrictions; widespread or prolonged loss of access to key personnel; power loss or computer, network, or telecommunications failures; usage errors by personnel; infiltration by unauthorized persons, including cyberattacks (some of which may not be detected for an extended period of time and some of which could be massive attacks aimed at a country's critical infrastructure and economic systems); and terrorist attacks and other intentional acts of destruction. Any failure, interruption, or destruction of or damage to the Firm's or a service provider's information technology or data management systems could have a material adverse impact on the Firm's operations and result in the theft, disclosure, or loss of proprietary, confidential, or other sensitive information.

The Firm will trade in equity securities. Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments. The Firm may acquire long and short positions in listed and unlisted common equities, preferred equities and convertible securities of issuers domiciled in developed or in emerging market countries. The Firm may invest in equity securities regardless of market capitalization, including micro- and small-cap companies. The securities of smaller companies may involve more risk and their prices may be subject to more volatility. The Firm may also invest in distressed equity securities, which are generally considered to be riskier, speculative and relatively illiquid.

The Firm encounters a specific set of risks based on its style of trading and investment objectives.

- High Portfolio Turnover: The Firm may be subject to a high portfolio turnover rate, which can be expected to result in high transaction costs, which in turn can be expected to adversely affect the Firm's performance. In addition, the Firm's trading activities can generate taxable income for investors that is significantly greater or less than the investor's share of the net economic gain or loss in the Firm.
- High Leverage: The Firm operates with a target for empirical standard deviation. There can be no assurance that this standard deviation target will be met. The target is not a guarantee or prediction of performance.

Risks to trading in equities include but are not limited to the following:

- Securities Lending Agreements: These arrangements present counterparty credit risk, including insolvency, and the risk of counterparty default. In addition, the Firm has no control over how counterparties process and allocate fulfillment of requests to borrow securities.
- Currency Fluctuations and U.S. Dollar-Denominated Securities: Issuers of U.S. dollar-denominated securities are subject to currency fluctuations between the value of the U.S. dollar and the other currencies in which they transact business.
- Short Sales: There is a theoretically unlimited risk of an increase in the market price of securities sold short. Limitations or bans on short selling impede the Firm's ability to fully execute their trading strategies. The risks of short selling are also increased by lenders' ability to "recall" securities borrowed by the Firm, as well as actions aimed at creating a "short squeeze" by increasing the price of specific securities for which there are known or perceived substantial short positions across the market.

INVESTING INVOLVES RISK OF LOSS THAT INVESTORS SHOULD BE PREPARED TO BEAR. JCAP DOES NOT REPRESENT OR GUARANTEE THAT ITS SERVICES OR METHODS OF ANALYSIS CAN OR WILL PREDICT FUTURE RESULTS OR INSULATE CLIENTS FROM LOSSES DUE TO MARKET CORRECTIONS OR DECLINES. JCAP CANNOT OFFER ANY GUARANTEES OR PROMISES THAT FINANCIAL GOALS AND OBJECTIVES WILL BE MET. PAST PERFORMANCE IS NOT AN INDICATION OF FUTURE PERFORMANCE.

Item 9: Disciplinary Information

There are no legal or disciplinary events to report.

Item 10: Other Financial Industry Activities and Affiliations

Neither JCAP nor any of its supervised persons are registered or applying to register as broker-dealers or representatives of any broker-dealer.

Neither JCAP nor any of its supervised persons are registered or applying to register as futures commissions merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities. To the extent a Client trades or is deemed to trade in commodity interests, JCAP will maintain certain exemptions from registration with the U.S. Commodity Futures Trading Commission as a commodity pool operator or commodity trading adviser, as applicable, with respect to such Clients.

JCAP and its principals and affiliates are permitted to invest and trade for their own accounts, including (in some cases) in securities or derivatives which are the same as or different or opposite from those traded or held by the Client. As a result, JCAP and its principals and affiliates are expected to, from time to time, have proprietary investments in securities or derivatives in which its Clients may take a position, may trade and invest simultaneously with the Client and may take investment positions that are different or opposite from the positions taken by the Client. As a result, conflicts of interest may arise between the Client and JCAP or its principals or affiliates with respect to matters such as the allocation of investment opportunities, purchases and sales of securities or derivatives in connection with particular trading situations and allocation of personnel, resources and expenses. However, trading by principals and

personnel of JCAP will be subject to JCAP's Code of Ethics and Personal Trading Policy, which seeks to mitigate the conflicts described above.

In addition, JCAP's supervised and related persons may have professional relationships with senior executives of public or private companies, the securities of which JCAP may recommend to Clients. Additionally, JCAP's supervised and related persons may serve on the board of directors, advisory boards, executive committees or in other management capacities at public or private companies and/or other organizations. The potential for such relationships may give rise to conflicts of interest. For example, given the potential for these relationships, it is possible that senior executives of the underlying companies could seek to exert influence on JCAP to invest in such a company or may give JCAP information that is not publicly known. As such, JCAP maintains insider trading procedures which forbid any access person from trading, either personally or on behalf of others, including Clients, on material non-public information or communicating material nonpublic information to others in violation of the law.

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

We have adopted a Code of Ethics that reflects our commitment to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to our Clients, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs JCAP's investment transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. All supervised persons are required to acknowledge their receipt of, and agreement to abide by, the Code of Ethics (among other things) upon hire and at least annually thereafter. JCAP's Clients or prospective Clients may request a copy of the Code of Ethics.

JCAP is permitted, in appropriate circumstances, to cause Clients to purchase or sell securities in which JCAP, its affiliates and/or Clients, directly or indirectly, have a position or interest. JCAP's officers, directors, employees and certain other persons associated with JCAP (collectively, "Access Persons") are required to follow the Code of Ethics, which includes certain qualifications on the ability of Access Persons to trade instruments held by Clients. Subject to satisfying this policy and applicable laws, Access Persons may, in certain circumstances, trade for their own accounts in securities and derivatives which are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal transactions, activities and interests of Access Persons will not interfere with (i) making decisions in the best interest of the Client and (ii) implementing such decisions while at the same time allowing its Access Persons to invest for their own accounts. The Code of Ethics requires pre-clearance of certain transactions and requires that the interests of Clients be placed ahead of those of Access Persons in their personal trading. Nonetheless, because the Code of Ethics in some circumstances would permit Access Persons to invest in the same instruments as the Client, there is a possibility that Access Persons might benefit from market activity by a Client in an instrument held by an Access Person. Personal trading is regularly monitored under the Code of Ethics in an effort to prevent conflicts of interest between JCAP and its Clients.

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

investment objectives of Clients for the same investment positions to be taken or liquidated at the same time or at the same price.

Item 12: Brokerage Practices

Unless an alternate arrangement is agreed to with a Client in the respective advisory agreement, JCAP has the discretion to select broker-dealers used in transactions for the Client. JCAP has implemented policies and procedures surrounding the achievement of best execution of client transactions. In determining best execution, JCAP takes into account the full range and quality of a broker-dealer's services, including such factors as available prices and rates of brokerage commissions, the value of ongoing relationships the Advisor may have with broker-dealers, and research and brokerage services provided by broker-dealers. JCAP would not select broker-dealers solely based on the lowest possible commission costs, but on the best qualitative execution and overall value. Moreover, JCAP would not measure best execution by the circumstances surrounding a single transaction but measures best execution instead over time.

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

1. commission rates
2. historical net prices (after mark-ups, mark-downs or other transaction-related compensation) on other transactions
3. execution, clearance and settlement capabilities
4. willingness to commit capital
5. reliability, responsiveness and financial stability
6. size of the transaction
7. availability of securities to borrow for short sales

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

JCAP does not engage in soft dollar arrangements. In the event that JCAP does engage in soft dollar arrangements, the Firm has in place policies and procedures regarding its use. Subject to applicable law and regulation, JCAP would effect securities transactions with broker-dealers that provide brokerage or research services or pay for research services provided by third parties to us. These services are paid with soft dollar credits generated by our clients' brokerage commissions. These types of eligible transactions and benefits received are in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Safe Harbor"). In some instances, JCAP may receive a product or service that may be used only partially for functions within the Safe Harbor (i.e., an order management system, trade analytical software or proxy services). In such instances, JCAP will make a good faith effort to determine the relative proportion of the product or service used to assist JCAP in carrying out its investment decision making responsibilities and the relative proportion used for administrative or other purposes outside the Safe Harbor. The proportion of the product or service attributable to assisting JCAP in carrying out its investment decision making responsibilities will be paid through brokerage commissions generated by advisory client transactions and the proportion attributable to administrative or other purposes outside the Safe Harbor will be paid for by JCAP from its own resources.

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

provided. JCAP has no obligation to deal with any particular broker or dealer in executing transactions and will periodically review brokerage and soft dollar arrangements.

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

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

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

Trade errors involving transactions effected by JCAP on behalf of its Clients may occur. JCAP will use reasonable efforts to detect such potential errors prior to settlement and promptly correct them. Trade errors may result in losses or gains. Losses caused by trade errors committed by JCAP will ordinarily be borne by Clients, except for losses caused by JCAP's bad faith or gross negligence, which losses would then be borne by JCAP. To the extent a trade error is caused by a counterparty, such as a broker-dealer, JCAP will use reasonable efforts to recover any losses associated with such error from the counterparty. Any gains resulting from such errors will be retained by the affected Client(s). The evaluation of the standard of care exercised in committing a trade error will be performed by JCAP, in its sole discretion, and may be conflicted in making such a determination.

Item 13: Review of Accounts

Client accounts are reviewed on an ongoing basis for conformity with the investment objectives and guidelines set forth in the respective advisory agreement.

End investors of separate accounts advised by JCAP will receive all brokerage confirmations and periodic statements with respect to their accounts directly from the account custodian(s). Each investor will also receive reports from JCAP with respect to their Client account in accordance with the terms of the applicable advisory agreement.

Item 14: Client Referrals and Other Compensation

JCAP does not receive any economic benefits from non-Clients for providing investment advice or other advisory services.

Item 15: Custody

JCAP does not maintain custody of Client assets.

Clients should receive at least quarterly statements from the custodian that holds and maintains the relevant Client account. JCAP urges each Client to carefully review such statements and compare such official custodial records to any account statements that JCAP may provide such Client. JCAP's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities or other instruments.

Item 16: Investment Discretion

Subject in certain instances to restrictions contained in its advisory agreements, JCAP will ordinarily be granted discretionary authority to determine the type and amount of securities to be purchased or sold for the Account and to select the counterparty to be used and the commission cost to be paid. JCAP exercises its investment authority on behalf of the Account pursuant to a written investment management agreement, which includes investment guidelines imposed by the Account's owner. Limitations on JCAP's authority are guided by its responsibility to act as a fiduciary when handling clients' accounts, the obligation to seek best execution of clients' trades, and the funds' offering documents.

Item 17: Voting Client Securities

It is not JCAP's practice to vote proxies unless directed otherwise by the respective Client. JCAP does not believe that it would be cost-effective for the Firm to review each proxy vote and assess the underlying proposals, as the outcome of such proposals typically does not materially impact the implementation of JCAP's investment strategies. JCAP will analyze on a periodic basis the practicability and estimated costs associated with casting such proxies against any estimated potential benefits and strategic relevance of doing so, and reserves the right to vary this practice where it determines that doing so is in the best interests of JCAP's Clients, although it is not anticipated that JCAP will do so.

Item 18: Financial Information

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