

**FORM ADV PART 2A
Firm Brochure ("Brochure")**

**Kettle Hill Capital Management, LLC
March 28, 2023**

This Firm Brochure ("Brochure") provides information about the qualifications and business practices of Kettle Hill Capital Management, LLC ("Kettle Hill" or the "Adviser"), an investment adviser registered with the United States Securities and Exchange Commission (the "SEC"). If you have any questions about the contents of this brochure, please contact us at telephone number (212) 488-1728. This information has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Kettle Hill also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES. POTENTIAL INVESTORS SHOULD REFER TO THE OFFERING DOCUMENTS OF THE APPLICABLE PRIVATE FUND CLIENTS (AS DEFINED HEREIN) PRIOR TO CONSIDERING AN INVESTMENT IN SUCH PRIVATE FUND CLIENT.

Item 2. Material Changes

There have been no material changes made to the Brochure since the Adviser's last update, which was filed on March 30, 2022. However, we encourage you to read this Brochure in its entirety.

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Item 4. Advisory Business

Kettle Hill Capital Management, LLC (the "Adviser") is an investment adviser with its principal place of business in New York, NY. The Adviser commenced operations as an investment adviser on June 1, 2003 and has been registered with the SEC since April 16, 2013. The principal owners of the Adviser are Andrew Kurita, Bryan Kiss and Afroz Qadeer. Mr. Kurita is the managing member of the Adviser.

The Adviser provides advisory services on a discretionary basis to its clients. Clients consist of private funds (the "Private Funds"); registered investment companies (the "Investment Companies"); a separately managed account for an institutional investor (the "Separate Account"); and an Undertaking for Collective Investment in Transferable Securities (the "UCITS"). The Private Funds, the Investment Companies, the Separate Account and the UCITS are collectively referred to herein as the "Clients" or the "Funds."

The Adviser generally will invest its Clients' assets in U.S. equity securities but has broad and flexible investment authority to invest in other financial instruments.

The Adviser does not tailor advisory services to the individual needs of investors in the Private Funds, shareholders in the Investment Companies, or unit holders in the UCITS (collectively, the "Investors") and Investors may not impose restrictions on investing in certain securities or types of securities in such investment funds. Since the Adviser does not provide individualized advice to Investors, Investors should consider whether the respective Fund meets their investment objectives and risk tolerances prior to investing.

Under certain circumstances, the Adviser may agree to tailor advisory services to the needs of the Separate Account.

As of December 31, 2022, the Adviser had \$790,200,000 in regulatory assets under management. As of that date, the Adviser managed all Client regulatory assets under management on a discretionary basis and \$0 on a non-discretionary basis.

Item 5. Fees and Compensation

A. Advisory Fees and Compensation

AUM-Based Compensation

The Adviser charges management fees from Investors in the Private Funds of 1.5% per annum. The Adviser charges management fees from the Investment Companies and the UCITS ranging from 0.5% to 1.0% per annum. The management fees charged from the Investment Companies and the UCITS is a portion of the overall management fees charged to shareholders, which, depending on the share class, range from 0.75% to 1.50% per annum. For the Separate Account, the Adviser charges a management fee of 0.35% per annum.

For the Private Funds, management fees are paid quarterly in advance based on the value of assets under management as of the first day of each calendar quarter (adjusted for contributions but not withdrawals made during the quarter). Management fees are prorated for any period that is less than a full calendar quarter and deducted in calculating the net profit or net loss of the Private Fund. In its sole discretion, the Adviser may waive or modify management fees for Private Fund Investors. The management fees for the Separate Account are paid after the end of each quarter and will be prorated for any period that is less than a full calendar quarter and will be deducted in calculating the net profit or net loss of the Separate Account.

For the Investment Companies, and the UCITS, the management fees are calculated based on average daily net assets values, and are paid monthly, in arrears. The Separate Account management fees are calculated by using the average of the beginning of month net assets for the quarter.

Performance-Based Compensation

The Adviser charges a performance-based fee from the Private Funds, which is compensation in the form of an allocation that is based on a share of capital gains on or capital appreciation of the assets of the Private Funds. This compensation may be paid to the Adviser or to a related person of the Adviser and is generally at a rate of 20% per annum, subject to a high watermark. In its sole discretion, the Adviser may waive or modify the performance-based allocation for Private Fund Investors.

The Adviser receives performance fees from the UCITS, ranging from 0% to 10.5% per annum. The performance fees received from the UCITS is a portion of the overall performance fees charged to shareholders, which, depending on share class, range from ranges from 0% to 15% per annum. The Adviser is not paid a performance-based fee by the Investment Companies.

The Adviser charges performance-based fees from the Separate Account of 20% per annum, subject to a hurdle rate and carry-forward provision, as detailed in the investment management agreement.

The details on how fees are charged by the Adviser are described in each Fund's offering documents.

B. Payment of Fees

The Adviser deducts management fees from the Private Funds on a quarterly basis. For all other Clients, the Adviser's management fees are paid by the Clients. The Adviser does not deduct management fees from such Client accounts.

C. Other Fees and Expenses

The Adviser is responsible for and pays, or causes to be paid, the following overhead expenses: office rent; furniture and fixtures; stationery; secretarial/internal administrative services; salaries; entertainment expenses; employee insurance and payroll taxes. Expenses paid by the Clients include: management fees; legal, audit and accounting expenses (including third party accounting/administration services); investment expenses such as commissions, research fees and expenses; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; and any other expenses related to the purchase, sale or transmittal of Client assets. In certain circumstances, the Adviser pays a portion of the expenses, including legal and accounting expenses, of Kettle Hill Partners, LP and Kettle Hill Partners II, LP. Although the Adviser has no obligation to pay such Private Fund expenses in the future, if the Adviser does not do so, this may affect future returns. In addition, Clients will incur brokerage and other transaction costs. Please refer to Item 12 of this Brochure for a discussion of the Adviser's brokerage practices.

Client assets are invested in money market mutual funds, exchange-traded funds ("ETFs") and other registered investment companies. In these cases, the Client will bear the investment management fee and other fees of the money market fund, ETF or registered investment company, which are in addition to the fees paid to the Adviser.

D. Prepayment of Fees. For Private Funds, the management fees are paid to the Adviser in advance and prorated for any period during which the Adviser is not providing investment advisory services for the entirety of the period. For all other Clients, the management fees are paid to the Adviser quarterly or monthly in arrears based on the applicable governing documents.

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

The Adviser charges performance-based fees, which are fees based on a share of capital gains on or capital appreciation of the assets of the Private Funds, the Separate Account and the UCITS. The nature of these fees is described in each such Fund's respective offering documents or investment management agreement. These fee arrangements create an incentive for the Adviser to make more speculative investments or increase the Adviser's focus on short-term profits, rather than focusing on long-term capital appreciation. This could expose the portfolios to additional levels of risk than would be faced if such fee structures were not in place.

The Adviser manages both Client accounts that are charged performance-based compensation and accounts that are charged an asset-based fee, which is a non-performance-based fee. In addition, certain Client accounts have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When the Adviser manages more than one Client account a conflict exists for one Client account to be favored over another Client account. The Adviser has a greater incentive to favor Client accounts that pay the Adviser (and indirectly its investment personnel) performance-based compensation or higher fees.

The Adviser has different fee arrangements with Clients which creates a conflict of interest because the Adviser has an incentive to favor one Client account over another. Accordingly, the Adviser has adopted policies and procedures intended to address conflicts of interest that arise relating to different fee arrangements. In particular, the Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. In addition, the Adviser's policies and procedures relating to the allocation of investment opportunities require that Client accounts with the same or substantially similar investment mandates and strategies participate in investment opportunities pro rata based on the relative value of the assets of each participating account to all participating accounts; provided, however that the Adviser may allocate investment opportunities to such accounts on a non-pro rata basis due to a consideration of factors including but not limited to avoiding odd lots or excessively small allocations. To the extent orders are aggregated, the Client orders are price-averaged and allocated in accordance with the aggregated order; provided, that the aggregated order may be allocated on a different basis for reasons including but not limited to partially filled orders and to avoid odd lots or excessively small allocations.

Item 7. Types of Clients

The Adviser's Clients consist of the Private Funds, the Investment Companies, the Separate Account and the UCITS.

Any minimum initial or additional investment amount with respect to a Fund is specified in the Fund's offering documents.

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

A. Methods of Analysis and Investment Strategies

The Adviser utilizes a variety of methods to make investment decisions and recommendations. The methods of analysis include, but are not limited to: fundamental “bottom-up” research, thematic research, macro-economic research, as well as use of quantitative and technical tools and analyses.

The Adviser employs the following investment strategies:

Equity Long. The Adviser engages in long equities strategies. The Adviser’s primary equity strategy is one that investors have traditionally referred to as ‘value’ investing, but may incorporate elements of a broad range of investing styles, including ‘growth’ investing and ‘growth-at-a-reasonable price’ investing. Methods of analysis may include, but are not limited to: fundamental “bottom-up” research, thematic research, macro-economic research, as well as the use of quantitative and technical tools and analyses. The Adviser will generally focus on small-cap market capitalization equities, but may also invest in micro-cap, mid-cap and large-cap equities. The Adviser will hold securities for various periods of time, including from less than a single day to years.

Short Selling. The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) management of gross and net exposures of the portfolio and (iii) for profit.

The Adviser employs a long-only investment strategy for the Separate Account and therefore will not utilize any short selling strategies for the Separate Account.

These investment styles, methods, strategies and investments involve risk of loss to Clients and Clients must be prepared to bear the loss of their entire investment.

B. Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies.

The following is a summary of the risks associated with the Analysis and Investment Strategies used by the Adviser.

Lack of Diversification. Client accounts may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, Client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

Short Selling Risk. The Adviser’s investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser’s investment portfolios than if the Adviser did not engage in any such hedging transactions.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in

general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Key Person Risk. Primary responsibility for the management of Client accounts belong to certain key investment professionals of the Adviser. Thus, the continuation of the management of Clients accounts is dependent heavily upon the ability of these key persons to provide investment advice. Consequently, in the event of a key person's death or permanent disability, the Adviser may be unable to furnish investment advice to the Clients.

C. Risks Associated with Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).

The following is a summary of risks associated with the securities in which the Adviser invests on behalf of Clients.

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region or the entire market. Changes in the financial condition of a single issuer can impact the entire market. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Non-U.S. Securities. While the Adviser does not anticipate foreign securities to be a core investment focus, the Clients may invest in certain foreign securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. These factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Security Futures and Options. In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the Client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

PIPE Transactions. PIPE (which stands for Private Investment in Public Equity) transactions involve a commitment by investors to purchase a certain number of restricted shares from a company at a specified price. The company, in turn, agrees to file a registration statement to enable the shares to be sold to the public. Investors bear the price risk during the period from execution of the purchase agreement until the closing. PIPE transactions also involve contractual risk in that the underlying company may not honor its contractual obligations, and regulatory risk as the PIPE transaction is subject to regulatory review. Because of the restricted nature of the securities, PIPE transactions have limited liquidity while the registration statement is pending.

Private Equity Investments. Investments in private equity has specific risks which include, but are not limited to:

- Funding risk: The unpredictable timing of cash flows poses funding risks to investors. Commitments are contractually binding and defaulting on payments results in the loss of private equity partnership interests. This risk is also commonly referred to as default risk.
- Liquidity risk: The illiquidity of private equity partnership interests exposes investors to asset liquidity risk associated with selling in the secondary market at a discount on the reported NAV.
- Market risk: The fluctuation of the market has an impact on the value of the investments held in the portfolio.
- Capital risk: The realization value of private equity investments can be affected by numerous factors, including (but not limited to) the quality of the fund manager, equity market exposure, interest rates and foreign exchange.

Additional Risks Relating to the Adviser

Cybersecurity Risk. The information and technology systems of the Adviser and of key service providers to the Adviser and its Clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its Client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

Risk Management Failures. Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of Clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to Clients.

Systems and Operational Risk. The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third party administrator, and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and its Clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the Clients' operations. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, Clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the Client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. The Adviser's business activities could be materially adversely affected by pandemics, epidemics and outbreaks of disease globally and/or regionally, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome (SARS), and/or other public health issues. Specifically, COVID-19 has spread (and is currently spreading) rapidly around the world and has negatively affected (and may continue to adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of COVID-19 and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, any occurrence or recurrence of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in

economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser. Should these or other major public health issues, including pandemics, arise or continue to spread, the Adviser could be adversely affected by any preventative or protective actions that governments may take, including but not limited to stringent travel restrictions, and/or limitations on the Adviser's operations or business.

Geopolitical Risks. Geopolitical and other events (e.g., war or terrorism) may disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of an account's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs such as oil may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of an account's investments. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally.

Item 9. Disciplinary Information

There are no disciplinary items to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Neither the Adviser nor any of the Adviser's management personnel have any relationships or arrangements that pose material conflicts of interest to the business of the Adviser.

While the Funds may trade commodity interests, an affiliate of the Adviser is exempt from registration with the Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator pursuant to CFTC Rule 4.13(a)(3).

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

A. Code of Ethics. The Adviser has adopted a Code of Ethics policy (the “Code”) that obligates the Adviser and its related persons to put the interests of the Adviser’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. All the Adviser’s personnel are also required to comply with applicable federal securities laws. Clients and prospective Clients may obtain a copy of the Code by contacting Bryan Kiss (Chief Compliance Officer) by email at bryan.kiss@kettlehill.com or by telephone at (212) 488-1728. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser, or its related persons, have invested, or seek to invest, on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Adviser maintains written compliance policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to Clients and remains in compliance with applicable law. In certain circumstances, the Adviser possesses certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client’s benefit.

B. Investing in Securities Recommended to Clients. In addition, the Adviser, or its related persons, invests in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a related person recommends to Clients. Such practices present a conflict. The Adviser has adopted policies and procedures to minimize such conflicts by requiring its related persons/access persons to preclear all transactions in their personal accounts with the Chief Compliance Officer. The Adviser’s Code prohibits the Adviser’s access persons from executing personal securities transactions in any securities on a restricted securities list maintained by the Chief Compliance Officer.

Item 12. Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The Adviser considers a variety of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution, error resolution, offering to the Adviser on-line access to computerized data regarding a Client's accounts, ability to offer capital introductions and ability to arrange meetings with issuers. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's portfolio manager and trader review and evaluate, periodically, the broker-dealers used by the Adviser to execute Client trades using the foregoing factors.

1. Research and Other Soft Dollar Benefits. The Adviser receives research and other products or services other than execution from broker-dealers in connection with Clients' securities transactions. This is known as a "soft dollar" relationship. The Adviser uses "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. The Adviser also enters arrangements with expert networks, matching services or other industry consultants under which the Adviser obtains research, analysis, or other data from consultants.

Brokerage services within Section 28(e) include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

When the Adviser uses Client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's Chief Compliance Officer, with input from other employees of the Adviser, reviews and evaluates, periodically, its soft dollar practices to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of Client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services. To address these conflicts of interest, the Adviser will execute Client trades through broker-dealers that provide research and brokerage products to the Adviser only if it is determined by the Chief Compliance Officer of the Adviser that Client trades with such broker-dealers are otherwise consistent with seeking best execution.

The Adviser may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for Clients.

Research and brokerage services obtained using commissions arising from a Client's portfolio transactions may be used by the Adviser in its other investment activities, including for the benefit of other Client accounts. The Adviser does not seek to allocate soft dollar benefits to Client account proportionately to the soft dollar credits the accounts generate. In addition, the Adviser's employees may benefit from access to research paid using Client commissions when making personal securities transactions. As discussed in Item 11, the Adviser has adopted procedures to minimize this conflict of interest.

During the Adviser's last fiscal year, as a result of Client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired: research reports (including market research); certain financial newsletters and trade journals; analysis of securities portfolios; software used for research of securities; discussions with research analysts; meetings with corporate executives; attendance at certain conferences; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; access to expert networks; and, post trade matching of trade information.

In some instances, the Adviser obtains a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by the Adviser's personnel. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and Clients.

2. Brokerage for Client Referrals. From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend these private funds as an investment to Clients. The Adviser may place Client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

B. Order Aggregation.

The Adviser often purchases or sells the same security for multiple Clients. It is the Adviser's practice to generally aggregate Client orders for the purchase or sale of the same security. Aggregation may enable the Adviser to obtain for Clients a more favorable price or commission rate based upon the volume of a particular transaction. When an aggregated order is filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts. Adjustments or changes are made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally, all such participating accounts will receive the average price and pay the average commission,

subject to odd lots, rounding and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to Clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Clients. Not all trade orders are aggregated.

Item 13. Review of Accounts

A. Frequency and Nature of Review. Each Client account is reviewed by the Adviser daily to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each Client account.

B. Content and Frequency of Regular Account Reports. Investors in the Funds receive reports pursuant to the terms of each Fund's offering documents.

Item 14. Client Referrals and Other Compensation

Economic Benefits Received from Non-Clients for Providing Services to Clients. The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer based on considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its Clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

Economic Benefits Provided to Non-Clients. The Adviser provides to Raymond James Financial a portion of its management fees charged to certain Clients in return for third-party referral/marketing services.

Item 15. Custody

The Adviser and its affiliate have custody of the Private Funds' assets pursuant to Rule 206(4)-2 under the Investment Advisers Act of 1940. This rule requires that each Private Fund be subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles in the U.S., and are distributed to each Fund Investor within 120 days of the applicable Private Fund's fiscal year end.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to Clients. Prior to assuming full discretion in managing a Client's assets, the Adviser enters an investment management agreement, or other agreement, that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a Client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines), and (ii) the amount of securities to be purchased or sold for the Client account. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among Clients: (i) Client investment objectives and strategies; (ii) Client risk profiles; (iii) tax status and restrictions placed on a Client's portfolio by the Client or by applicable law; (iv) size of the Client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows.

Allocations will be made among Client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a Client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings, avoidance of excessively small allocations, and a Client's status as a "restricted person" under applicable regulations.

Securities acquired by the Adviser for its Clients through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those Client accounts eligible to hold such securities. Eligibility will be based on the legal status of the Clients and the Clients' investment objectives and strategies.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, the Adviser's error correction procedure is to ensure that Clients are treated fairly and, following error correction, are in the same position they would have been if the error had not occurred. The Adviser has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy and the Adviser's investment management agreement with the Client.

To the extent the Adviser has authority, pursuant to the investment management agreement or other governing documents of a Client account, to participate in class action claims (each, a "Claim") it will do so on a case-by-case basis. Once the Adviser receives a Claim, the Adviser will determine whether any Clients or former Clients of the Adviser owned the security during the period covered by the Claim. Appropriate personnel of the Adviser will determine whether they agree with the basis of the Claim and whether or not to participate in the Claim depending upon (i) the nature of the Claim; (ii) prospects for recovery; (iii) resources required to pursue the Claim, (iv) other relevant factors pertaining to the particular Claim and (v) any other factors that the Adviser deems relevant. To the extent the Adviser receives proceeds from a Claim on behalf of a Client, including a Fund, the Adviser's general policy is that only current Clients or Fund Investors at the time of receipt of the proceeds will participate in the proceeds. The Adviser may under certain circumstances elect not to participate in the proceeds of a Claim.

Item 17. Voting Client Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of its Clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interest of each Client.

The Adviser will abstain from voting or affirmatively decide not to vote if the Adviser determines that abstention or not voting is in the best interests of the Client in light of the scope of services to which the Adviser and the Client have agreed. In making this determination, the Adviser will consider various factors, including, but not limited to, (i) the costs associated with exercising the proxy (e.g., translation or travel costs); and (ii) any legal restrictions on trading resulting from the exercise of a proxy. The Adviser may determine not to vote proxies relating to securities in which Clients have no position as of the receipt of the proxy (for example, when the Adviser has sold, or has otherwise closed, a Client position after the proxy record date but before the proxy receipt date).

If a material conflict of interest between the Adviser and a Client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Client or take some other appropriate action, which may include consulting the voting research and recommendations of a third-party proxy voting service. The Adviser does not make any qualitative judgment regarding its Client's investments.

Clients may obtain a copy of the Adviser's proxy voting policies and information about how the Adviser voted a Client's proxies by contacting Bryan Kiss (Chief Compliance Officer) by e-mail at bryan.kiss@kettlehill.com or by telephone at (212) 488-1728.

Item 18. Financial Information

There are no financial conditions that will impair the Adviser's ability to meet contractual commitments to Clients.