

Brochure dated November 7, 2023
(Form ADV Part 2A)



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This Brochure provides information about the qualifications and business practices of Timucuan Asset Management, Inc. If you have any questions about the contents of this Brochure, please contact Mr. James R. Franco by calling (904) 356-1739 or by email at corporate@timucuan.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Although we are registered as an investment adviser, that registration does not imply a certain level of skill or training.

Additional information about Timucuan Asset Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. Timucuan Asset Management, Inc. CRD number is 105899.

SUMMARY OF MATERIAL CHANGES

This Form ADV Part 2, also known as our "**Brochure**," has 18 separate disclosure items that we must address, each of which must be presented in the order set forth in this Brochure. A current, updated Form ADV Part 2A will be available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. Additionally, we will provide an updated Brochure annually to our continuing clients. We will ensure that you receive a summary of any material changes to this and subsequent Firm Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

This section reflects material changes from the prior version of our Annual Brochure dated March 27, 2023.

Material changes in this update:

Item 4 – This section was updated with the September 30, 2023, value of assets under management

Item 7 – This section was updated to clarify our approach to recommendations of IRA rollovers.

Item 15 – This section was updated for a change in the types of custody Timucuan is deemed to have for current client types.

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Item 4

ADVISORY BUSINESS

Timucuan Asset Management, Inc. ("**Timucuan**," the "**Adviser**," or the "**Firm**") was established in 1988 to meet demand for asset management services from high net worth individuals, family offices and institutional investors. Timucuan has been registered as an investment adviser with the U.S. Securities and Exchange Commission (the "**SEC**") since 1990 and is owned by Russell B. Newton, III, who also serves as the Adviser's Chairman.

Timucuan generally has discretionary investment authority with respect to client accounts, but some accounts also include certain equity, bond or other security positions that the particular client does not want to sell and that are not subject to Adviser discretionary trading authority. Clients may impose restrictions on investing in certain securities or types of securities in their accounts. Timucuan provides advice exclusively on the investable assets entrusted to its care and does not normally advise clients with respect to their overall asset portfolio. As a result, the Adviser's core investment management services are appropriate only with respect to that specific portion of a client's overall asset portfolio. Clients are responsible for determining that portion of their investable assets to allocate to Timucuan for management.

Timucuan seeks to achieve maximum long-term capital growth for its clients through the ownership of outstanding business enterprises. Central to Timucuan's investment strategy is the belief of investing in businesses, not the market. The management team of a company under analysis must demonstrate a history of integrity in aligning their interests with those of their shareholders, while making intelligent capital allocation decisions. Timucuan then assesses the underlying strength of the franchise and its competitive advantages. The firm seeks to own such a business only if it may be purchased at a market price that represents a substantial discount to its intrinsic value. The Adviser also manages wrap fee accounts and acts as a sub-advisor or dual manager through third party platforms using the same approach.

The Adviser's discretionary separate client accounts typically target a concentrated portfolio of 12 to 18 businesses, with expected average holding periods of three to five years. Some client accounts also include an allocation to government, corporate or municipal bonds. As of the date of this Brochure, the Adviser managed approximately 504 separate client accounts as well as two private investment funds (each a "**Fund**" and together the "**Funds**"). Timucuan Fund, L.P. ("**Timucuan Fund**") and its predecessor fund have operated since September 1990. TAM Ortho Series A of Timucuan Private Capital Investors, LLC was formed to make a collective investment in a single company during 2013. Timucuan has complete discretion to direct the ongoing investment of Timucuan Fund assets subject to the investment authority, objectives and strategies outlined in the Limited Partnership Agreement, Private Offering Memorandum and Subscription Package of the Timucuan Fund (collectively, the "**Offering Documents**"). Timucuan or a Timucuan affiliate serves as the general partner or manager of each Fund. ***Nothing in this Brochure constitutes an offer to sell or the solicitation of an offer to purchase Timucuan Fund limited partnership interests. Such an offer may be made only by means of the respective Fund's Offering Documents addressed to the intended recipient.***

As of September 30, 2023, Timucuan had approximately \$2,942.9 million of assets under management in 611 client accounts and the Funds, including approximately \$2,740.5 million managed on a discretionary basis.

Item 5

FEES AND COMPENSATION

Fees. As of March 27, 2023, the Adviser's fees for discretionary investment management services are billed in one of the following ways, with reduced rates applicable to non-discretionary account assets as negotiated on a case-by-case basis. Existing clients on or before March 27, 2023 will continue to be subject to the Adviser's fee schedule in place prior to that date.

1. Net Asset Based:

<u>Account Market Value</u>	<u>Quarterly Rate</u>	<u>Annual Fee</u>
First \$10,000,000	0.25%	1.00%
Additional Funds	0.1875%	0.75%

The "**Net Asset Based Fees**" are billed quarterly in arrears based on the current market value plus accrued interest each March 31, June 30, September 30 and December 31 and are payable upon receipt. In the event any assets managed by the Adviser are under management for less than a calendar quarter, the fee is calculated and payable on a pro rated basis. In certain circumstances, fees are negotiable depending on a variety of factors and based on a client's circumstances.

2. Incentive Based:

For accounts greater than \$5 million, the greater of:

- A. A quarterly maintenance fee equal to the aggregate of:

<u>Assets</u>	<u>Quarterly Fee</u>	<u>Annualized</u>
First \$5 million	0.1250%	0.5000%
Next \$5 million	0.1000%	0.4000%
Next \$10 million	0.0625%	0.2500%
More than \$20 million	0.0250%	0.1000%

or

- B. A 10% quarterly performance fee (including both realized and unrealized gains and losses subject to a high-water mark).

The "**Incentive Based Fees**" are also billed quarterly in arrears with pro ration of the maintenance fee for partial quarters. In certain circumstances, fees are negotiable depending on a variety of factors and based on a client's circumstances. See also "Performance-Based Fees and Side-by-Side Management" below.

3. Wrap Accounts and Sub-Advisory / Dual Manager Arrangements:

Some wrap account fees are billed quarterly in advance by the sponsor on behalf of the Adviser and fees under sub-advisory / dual manager arrangements are generally billed quarterly in arrears. The portion of the wrap fee that the Adviser receives is equal to between 0.50% to 1.00% (0.125% to 0.25% quarterly) of current market value plus accrued interest.

With respect to the Timucuan Fund, Timucuan receives a cash fee (the "**Management Fee**") from the Fund as of the beginning of each calendar quarter in an amount equal to 0.25% of Timucuan Fund limited partner capital account balances. The Management Fee is calculated in advance including capital contributions for the quarter and after giving effect to prior withdrawals and redemptions. Management Fees are not refundable with respect to a withdrawal or redemption permitted during a calendar quarter. Fund investors also bear a performance-based "**Incentive Allocation**" of net profits made to the Fund's general partner (a Timucuan affiliate), as described in "Performance-Based Fees and Side-by-Side Management" below.

Payment Methods. Timucuan generally deducts fees from client accounts. Clients may instead receive fee statements and either instruct their custodians to make payment or pay statements directly. Timucuan also calculates the amounts of the Management Fees and Incentive Allocations made by the Timucuan Fund to

Timucuan and the Fund general partner. All client account fee payments are reflected on client account statements, which clients should review carefully for accuracy, and Fund Management Fee and Incentive Allocation amounts are subject to review as part of each Fund's annual independent audit.

Other Client Expenses. Clients bear their own investment, transaction, and custodial expenses, such as brokerage commissions, custodial fees, bank service fees, interest on margin accounts and short position dividends. Each Fund investor (including the general partner of the Timucuan Fund) bears their *pro rata* share of the respective Fund's expenses, as described in the respective Fund's Offering Documents. Although the Adviser does not make extensive use of mutual funds and exchange traded funds ("**ETF**") in client accounts, clients and Fund investors will bear their share of management fees charged by mutual funds and ETF managers to the extent that client accounts or the Funds invest in mutual funds and ETFs. See "Brokerage Practices" below for further discussion of the expenses borne directly and indirectly by client accounts.

Item 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

With respect to Timucuan Fund, the general partner receives an Incentive Allocation equal to 20% of the increase in net worth allocated to the limited partner for the fiscal year, subject to the limited partner having received a compound annual rate of return of at least 5% since investment. Incentive Allocations may also be made at any time for an individual limited partner who makes a substantial withdrawal in the discretion of the Fund general partner.

The Incentive Allocation and the Incentive Based Fee described in "Fees and Compensation" above are determined in accordance with Rule 205-3 promulgated under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). Fees payable and Incentive Allocations with respect to individual limited partner accounts may be waived or reduced, as agreed by the Adviser or Fund general partner. Portions of the fees and/or allocations may also be assigned to any persons designated by the Adviser or Fund general partner.

Fees and incentive profit allocations such as the Incentive Allocations and Incentive Based Fees may also create an incentive for Timucuan to make investments that are riskier or more speculative than would be the case in the absence of those performance-based arrangements, and including unrealized profits in the calculation of the Incentive Allocations and Incentive Based Fees may increase the amount of such allocations or fees to Timucuan and the Fund general partner. Such fee arrangements could also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. However, Timucuan has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7

TYPES OF CLIENTS

Timucuan offers investment management services to high net worth individuals, family offices, pension and profit-sharing plans, trusts, estates, charitable organizations or other institutional investors, as well as the Funds. Timucuan does not generally manage client accounts that will be less than \$1,000,000 in size after full investment.

Investment by investors in the Funds is designed primarily for individuals who have a net worth of at least \$1,000,000 (exclusive of the net value of their primary residence) and other persons and entities that qualify as "**accredited investors**" as defined in Regulation D under the Securities Act of 1933, as amended, and meet the "**qualified client**" test of Rule 205-3 under the Advisers Act or the "**qualified purchaser**" test under Section 2(a)(51) of the Investment Company Act of 1940. All investors must also represent to the respective Fund and the Adviser that they have adequate means of providing for their needs and contingencies without

relying on distributions or withdrawals from that Fund, must be financially able to maintain their investment, and must be able to afford the loss of a substantial portion of their investment. Admission as an investor in a Fund is not open to the general public. Investments in a Fund are offered through private placements in accordance with Rule 506 (b) of Regulation D.

IRA Rollover Considerations

As a matter of Firm policy, Timucuan does not make a practice of recommending clients withdraw assets from a retirement account and roll them over to an individual retirement account (“**IRA**”) nor managing the assets in a rollover account, unless a client makes the request. Further, we offer our management services be applied to those funds and securities rolled into an IRA or other account for which we will receive compensation. If you elect to roll the assets to an IRA that is subject to the Firm's management, the Firm will charge you a fee for its discretionary investment management services as described under Item 5. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete a rollover. Furthermore, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us.

Before completing a rollover, it is important for you to understand many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an individual retirement account (“**IRA**”), and to the extent the following options are available, you should consider the costs and benefits of each. An employee will typically have four options: (1) leave the funds in your employer’s (former employer’s) plan; (2) move the funds to a new employer’s retirement plan; (3) cash out and taking a taxable distribution from the plan; or (4) roll the funds into an IRA rollover account. Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over retirement funds to an IRA for the Adviser to manage it is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you.

Item 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Objective and Primary Approach. Timucuan seeks to achieve maximum long-term capital growth for its clients through the ownership of outstanding business enterprises. Central to Timucuan's investment strategy is the belief of investing in businesses, not the market. The management team of a company under analysis must demonstrate a history of integrity in aligning their interests with those of their shareholders, while making intelligent capital allocation decisions. Timucuan then assesses the underlying strength of the franchise and its competitive advantages. The firm seeks to own such a business only if it may be purchased at a market price that represents a substantial discount to its intrinsic value. The Adviser also manages wrap fee accounts with the same objective and using the same approach.

The Adviser's discretionary separate client accounts typically target a concentrated portfolio of 12 to 18 businesses, with expected average holding periods of three to five years. Some client accounts also include an allocation to government, corporate or municipal bonds. Timucuan Fund also invest in these same core positions, but also makes some investments in private placements of restricted securities and in other securities not held in client accounts.

Sources of Information and Types of Analysis. The Adviser uses various security analysis methods including but not limited to, fundamental and cyclical analysis. This information is derived from inspections of annual reports, prospectuses, filings with the SEC, company press releases, corporate activities and research

materials prepared by others. This information is used in making investment decisions for the Funds and clients with the intent of long-term investments (held more than one year) and short-term investments (sold within a year).

Associated Risks. An investment in a Fund, and except as agreed with a particular client an allocation to the Adviser for management in a separate client account, is not intended as a complete investment program, should be considered appropriate for only a portion of an investor's investment portfolio, and is designed only for investors and clients who have adequate means of providing for their needs and contingencies without relying on distributions or withdrawals, who are financially able to maintain their investment and who can afford the loss of a part of their investment. There can be no assurance that a client account or Fund will achieve its investment objective, and clients or investors may suffer losses. All potential clients and Fund investors should understand the investment approaches and techniques that the Adviser expects to use in the management of client accounts and the Funds and the particular risks associated with those approaches and techniques. In particular, the Adviser's investment approach results in concentrated investments in the securities of a relatively small number of issuers that may be engaged in only a few industries, which may result in greater volatility and risk of loss than investment in a more diversified portfolio. Prospective Fund investors are referred to the Offering Documents, which set out a more detailed discussion of the Funds' investment approach and associated risks.

Allocation Responsibility. Clients and Fund investors have sole responsibility for determining whether a client account or Fund is an appropriate investment for them and the amount of their assets that they will allocate to their client account or Fund investment; the Adviser disclaims all responsibility in that regard.

Item 9

DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of the adviser's management. Timucuan has no disclosures applicable to this Item.

Item 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As discussed above, Timucuan serves as the discretionary investment manager for the Timucuan Fund. The risks and potential conflicts of interest associated with an investment in the Fund are described in the Offering Documents. The Adviser's employees and related persons may also invest directly in the Fund. Investments in the Fund made by such parties are not normally subject to Management Fees or the Incentive Allocation or Fees. The Adviser does not have other relationships or arrangements with financial services companies that pose material conflicts of interest to clients or Fund investors.

Item 11

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Adviser has adopted a Code of Conduct/Ethics (the "***Code***"). The Code addresses, among other things, the following:

- ◆ policies addressing Timucuan employees' fiduciary duty to its clients;

- ◆ policies restricting the purchase and sale, by the Adviser employees for their own accounts, of securities that have purchased or sold for client accounts within certain time limits; and
- ◆ other policies prohibiting certain fraudulent or manipulative practices in connection with client investments.

The Code is based upon the principle that employees of the Adviser have a fiduciary duty to place the interest of the client before that of the person providing investment advice. Employees must avoid actions or activities that allow themselves, or a member of their family, to profit or benefit from their position with the Adviser, or otherwise call into question the employees' independent judgment.

The Code contains policies restricting personal securities transactions of Adviser employees. The Code prohibits personal trading of Adviser employees and their family accounts from buying or selling a security on the same day as any trades in the security are made for a client unless all accounts trade together in a bunched order and receive allocations at the same price and share proportionately in commission expenses. The Adviser has implemented procedures designed to ensure compliance with the provisions of the Code, including pre-approval of personal security transactions, quarterly affirmations of compliance and annual holding reports.

The Code also addresses policies and procedures to prevent the misuse of non-public information. The Code also places employee restrictions on personal transactions in put or call options, dealings with clients, investments in initial public offerings, short sales, outside business interests and the receipt of personal gifts in excess of a nominal value. Employees are required to affirm annually their compliance with the Code.

A copy of Timucuan's Code of Ethics is available upon request to Adviser's Chief Compliance Officer, James R. Franco, by calling (904) 356-1739 or by email to corporate@timucuan.com.

Item 12 BROKERAGE PRACTICES

Investment or Brokerage Discretion. The Adviser observes the following policies and adheres to the following limitations with respect to investment and brokerage discretion conferred by its advisory client.

Broker Selection. In purchasing and selling portfolio securities for client, the Adviser will seek to obtain execution at the most favorable security prices through responsible brokers and dealers. In selecting brokers and dealers to execute transactions and evaluating them, consideration will be given to such factors as price of the security, the size and difficulty of the order, the reliability, integrity, financial condition, and general execution and operational capabilities of competitive brokers and dealers, their expertise in particular markets and research services provided by them, as well as commission rates and historical execution quality. The Adviser may also consider the value of research services that a particular broker provides and that the Adviser uses as part of its investment evaluation process and your account may bear a commission in excess of that which another broker or dealer might have charged for effecting the same transaction in recognition of the value of brokerage or research services provided by the broker or dealer. No other products or services are a factor in considering the overall reasonableness of brokerage commissions paid to such a broker or dealer. See also “Brokerage Practices -- Research Services” below.

In addition, clients may designate or direct trades to a particular broker or brokerage firm. In such cases, the brokerage commission rate is usually determined by the broker and client based on the services rendered to the client and to Adviser. The Adviser may refer a client who does not have a preferred relationship to a brokerage firm which the Adviser believes will provide excellent custodial and reporting services, together with optimal execution for account transactions.

Combined “Bunch” Trading. The Adviser may follow the practice of grouping orders of various clients for execution in order to get the benefit of lower commission rates or favorable execution. In certain cases, where the aggregate order may be executed in a series of transactions at various prices, each participating client's proportionate share of such orders (subject to adjustments for any additional factors, including (1) cash balances within specific accounts, (2) consideration of minimum distribution of shares bought for an account (transactional efficiencies), (3) undesirable position size and (4) client sensitivity to turnover) will reflect the average price paid or received with respect to the total order. The Adviser may also bunch orders for client accounts in which Adviser officers and employees participate. Again, those accounts receive an average price per share and share commission expenses on a *pro rata* basis.

In certain circumstances, the liquidity of some stocks is limited, and the stock initially purchased at the target price may be insufficient to achieve the minimum position objective established by the Adviser. In addition, there may also be the possibility that insufficient additional stock can be purchased at the target price to achieve the target minimum position for each account. Therefore, in the Adviser's discretion, shares of a purchased block may be allocated either (A) randomly among accounts with each selected account being allocated the minimum percentage position prior to shares being allocated to another account, or (B) specifically among accounts with each selected account being allocated the minimum position prior to shares being allocated to other accounts based upon such factors as (1) cash balances within specific accounts, (2) consideration of minimum distribution of shares bought for an account (transactional efficiencies), (3) undesirable position size and (4) client sensitivity to turnover. This may result in some accounts not receiving any portion of the stock purchased in a bunched transaction. The random allocation is done automatically through the same trading and order management software system. If an account receives only a portion of the target minimum percentage position, the Adviser may manually allocate shares purchased in subsequent block trades to fill the minimum percentage position. Shares allocated in accordance with these procedures are priced based on the weighted average price of the executions.

Similarly, for relatively illiquid securities, the amount of stock initially sold at the target price may be insufficient to liquidate a significant portion of every account, which would otherwise be allocated on a *pro-rata* basis. Therefore, in the Adviser's discretion, shares sold may be allocated either (A) randomly or (B) specifically among accounts, with each selected account being allocated shares sold in an amount sufficient to liquidate a specified portion of the position in such account (which may be the entire position) prior to shares being allocated to another account. This may result in positions in selected accounts being completely liquidated while other accounts continue to hold the stock. Again, the Adviser's trading and order management software system randomly allocates sales automatically, but when orders are not fully executed the Adviser may manually allocate shares sold in a subsequent block transaction to completely liquidate the remainder of such position allocations or allocations may be made upon such factors as (1) cash balances within specific accounts, (2) consideration of minimum distribution of shares bought for an account (transactional efficiencies), (3) undesirable position size and (4) client sensitivity to turnover.

Trade Execution Sequence. Client accounts with directed brokerage arrangements whose trade orders cannot be bunched and trade orders for the Timucuan Fund are generally executed after bunched orders are complete. As a result, directed brokerage accounts and the Timucuan Fund may receive a different average price for any specific trade than for those accounts that are bunched. Orders for the Timucuan Fund will generally be executed last, after the separate account orders are complete or substantially complete.

While the trade execution sequence will generally follow the order described above, specific facts and circumstances and market conditions may cause the trade execution sequence to vary. The Adviser monitors trade execution results for non-directed brokerages, directed brokerages and the Timucuan Fund to ensure that over time, no accounts or groups of accounts are systematically being treated unfairly with respect to actual trade execution pricing. Nevertheless, any particular group of clients or the Timucuan Fund may receive better execution pricing from time to time.

Research Services. The Adviser receives a wide range of research services from brokers and dealers covering investment opportunities. This material will include information on the economies, statistics, political developments, technical market action, pricing and appraisal services, and broad economic analysis and forecasts. To the extent research services of value are provided by brokers and dealers, the Adviser may be relieved of expenses which it might otherwise bear. In addition, the services obtained with the brokerage commissions generated in one client account may partially or exclusively benefit other client accounts.

Item 13

REVIEW OF ACCOUNTS

Client records and portfolios are updated on a daily basis. Portfolios are reviewed informally by a member of the Investment Committee on at least a bi-weekly basis. The members of the investment committee are: Russell B. Newton, III, James R. Franco, Christopher H. Schmachtenberger, James W. Moore, Todd B. Martin and Dennis D. Blyly.

Portfolios are reviewed more formally on a quarterly basis by members of the Investment Committee. Matters under review may include client objectives, asset allocation, individual security weightings and specific portfolio selections. More frequent reviews may be triggered by market movements, security price changes or reports which may differ from our expectations. All trades are reviewed by a member of the Investment Committee.

Clients receive a confirmation for each transaction effected for their account and monthly statements reflecting all account activity directly from their Broker or Custodian. Clients receive portfolio appraisals and performance reports at least quarterly. More frequent portfolio reporting is provided upon request. Reports include portfolio appraisals, showing a list of assets at cost and market, activity summaries for the account for the quarter, and the performance of the account.

Investors in the Funds receive audited financial statements (including a balance sheet, profit and loss statement and statement of changes in partners' capital/changes in net assets) for each calendar year, a Schedule K-1 showing the Fund limited partner's distributive share of the Fund's items of income, gain, loss and deduction for federal income tax purposes for the year, and an annual statement of the changes in such Fund limited partner's Fund capital account. In addition, each Timucuan Fund limited partner will generally receive a quarterly letter setting forth the unaudited results for the quarter.

Item 14

CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser does not currently compensate any third parties for client referrals. However, the Adviser has reduced its management fee with respect to some accounts (and may do so with respect to other accounts in the future) with the understanding that the prospective client intended to compensate the person who referred the client to the Adviser.

Item 15

CUSTODY

Generally, client assets are held at unaffiliated, qualified custodians. Timucuan has at least one account requiring a surprise examination due to its custody of client assets while serving as trustee of a client's trust. The surprise audit is conducted once per year pursuant to Rule 206(4)-2 of the Advisers Act. Timucuan is also deemed to have custody of Fund assets because Timucuan or an affiliate serves as the manager or general partner of the Funds. As required by SEC rules and in conformity with industry practice, each Fund is subject to

audit at least annually and distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all respective Fund investors. As required, the Funds' audits are conducted by an independent public accountant that is registered with the Public Company Accounting Oversight Board in accordance with its rules. The Funds will also distribute audited financial statements upon liquidation promptly after the completion of such audit.

Timucuan generally deducts fees from client accounts except as agreed with a particular client. Clients may also receive fee statements and either instruct their custodians to make payment or pay statements directly. All fee payments are reflected on client account statements, which clients should review carefully for accuracy.

Item 16

INVESTMENT DISCRETION

Timucuan has complete discretion to direct the investment of each Fund's assets subject to the investment authority, objectives and strategies outlined in the Fund's Offering Documents. Timucuan also has discretionary investment authority with respect to many client accounts allocated to the Adviser for management. Clients may also impose restrictions on investments in certain securities or types of securities.

As discussed above, except as agreed with a particular client the Adviser does not generally consider individual client liquidity needs, risk tolerance, investment objectives or diversification in managing Fund and client account portfolios. As a result, clients and Fund investors are normally responsible for determining the appropriate amount of their investable assets to allocate for investment to a client account or Fund.

Item 17

VOTING CLIENT SECURITIES

Timucuan votes proxies on behalf of the Funds and may vote proxies on behalf of client accounts, as agreed in the particular case. Adviser's policy is that Timucuan votes proxies in the interest of maximizing shareholder value. To that end, Timucuan will vote in a way that it believes, consistent with its fiduciary duty, will cause the issue to increase the most or decline the least in value. Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote.

The Adviser has developed written proxy voting policies, procedures and guidelines for voting specific types of proposals, and documents the votes, other actions and decisions taken, in managing the process by which it votes proxies on behalf of the clients who have entrusted the Adviser with this authority. In the event the Adviser identifies a conflict of interest between its interest and those of its clients on any proxy voting issue, the Adviser will disclose the conflict to the relevant client and obtain their written consent before voting.

The Adviser's complete written proxy voting policy and procedures are available for review. Please contact Mr. James R. Franco by calling (904) 356-1739 or by email to corporate@timucuan.com if you have any questions or if you would like to review these documents.

Item 18

FINANCIAL INFORMATION

Timucuan is not subject to any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.