

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**March 2024**

**SOLIDARITY CAPITAL MANAGEMENT, LLC**

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**Chief Compliance Officer**

This brochure (“Brochure”) amends and restates the previously filed firm brochure effective on February 10, 2023, as amended, provides information about the qualifications and business practices of Solidarity Capital Management, LLC (the “Adviser”). The Adviser is an investment adviser registered with the U.S. Securities and Exchange Commission (the “SEC”). The format and contents of this Brochure are mandated by the United States Securities and Exchange Commission (the “SEC”); however, the information provided has not been approved or verified by the SEC or any state securities authority.

By itself, registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser, including this document, are intended to provide information to help in the decision to hire or retain an Adviser.

Information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you have any questions about the contents of this Brochure, please contact us at (385) 374-1665 or by email at [jeff@solidaritycapital.fund](mailto:jeff@solidaritycapital.fund).

## Item 2: Material Changes

This Brochure differs from the previous version, dated February 10, 2023 in the following material respects:

Item 4 – Regulatory assets under management has been updated.

Item 10 – Affiliated Entities has been updated to outline certain conflicts that may exist with affiliates as outlined below.

Performance-based fee arrangements may create an incentive for the Adviser or its affiliates to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. Additionally, other conflicts can arise with the simultaneous management of multiple accounts by the Adviser and its affiliates as investment professionals must allocate their time and investment ideas across multiple accounts. A conflict of interest exists as soliciting or the recommendation to clients of Solidarity Wealth to invest in the Fund creates an incentive for additional compensation to be earned.

The Adviser and its affiliates seek to mitigate these potential conflicts by (i) ensuring, through regular review of accounts, that all transactions are in accordance with the governing documents of the client, (ii) allocating opportunities pro rata across all eligible accounts managed by the Adviser or its affiliates, (iii) treating similar accounts pari passu, and (iv) ensuring that Solidarity Wealth clients solicited to invest in the Fund are not charged an advisory fee by Solidarity Wealth.

Item 17 – Voting Client Securities has been updated to include additional disclosure on the Adviser’s approach to proxy voting as outlined below.

The Adviser believes that the strategy does not generally benefit from traditional proxy voting outcomes for multiple reasons, and we have determined that actively participating in proxy voting is not beneficial to the investment process or our Clients. Though we will follow the proxy voting procedures below should we determine voting would create value for the strategy.

Currently, this Brochure may be requested by contacting Jeffrey McClean, Chief Compliance Officer at (385) 374-1665 or [jeff@solidaritycapital.fund](mailto:jeff@solidaritycapital.fund).

Additional information about the Adviser is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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## Item 4: Advisory Business

Solidarity Capital Management, LLC, (the “**Adviser**”), is a limited liability company founded June 10, 2022, under the laws of the State of Utah by Jeffrey McClean, Zachary Whitchurch and William J. Mortimer.

Jeffrey McClean, Zachary Whitchurch and William J. Mortimer will serve as the Managers of the Adviser (see *Brochure Supplements*). The Adviser is primarily owned by Solidarity Holdings, LLC. Jeffrey McClean will also serve as the Adviser’s chief executive officer and chief compliance officer (the “Chief Compliance Officer”).

### Types of Advisory Services

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The Adviser provides investment advisory services to the Solidarity Capital Fund I, LP, a privately offered Delaware limited partnership (the “Fund”), which was established to serve as an investment vehicle for investments from U.S. and non-United States persons. Investors may invest in the Fund by acquiring a limited partnership interest in the Fund (the “Interests”). The Fund was organized as an open-end investment fund to allow for ongoing, subsequent investors to acquire Interests over time.

The Adviser may form additional limited liability companies or partnerships in the future and may manage the investments of those limited liability companies and partnerships; however, presently, the activities of the Adviser are limited to its management of the Fund and making investment decisions on behalf of the Fund and its limited partners (the “Investors”). As used herein, the term “Client” generally refers to the Fund. The operations of the Fund not pertaining to the services provided by the Adviser will be performed by Solidarity Capital Partners, LLC (the “General Partner”).

The Fund’s primary investment objective is to generate reoccurring investment returns by focusing on collecting the premium in option writing strategies to include covered calls, cash-back puts, strangles, straddles, and other strategies. The Adviser intends to establish an investment policy and manage investments in the context of each Client’s individual objectives and risk tolerances.

Although the strategy and asset allocation methodologies utilized by the Adviser are primarily centered on reducing risk through option purchasing and writing, as well as through premium collecting, the Adviser intends to follow a flexible approach in order to place the Fund in the best position to capitalize on opportunities in the financial markets. Accordingly, the Adviser may employ other strategies and may take advantage of opportunities in diverse asset classes if they meet the Adviser’s standards of investment merit to provide current income. Clients should note that the Adviser is not restricted to any investment strategy whatsoever.

The interests in the Fund are being offered solely to a limited number of investors, each of which qualifies as (1) a “Qualified Client,” as defined under Rule 205-3(d)(1) of the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”), or a “qualified purchaser” or a “knowledgeable employee,” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”). There will be no public offering of Interests, no trading market for the Interests will develop and the Interests will be subject to substantial restrictions on transfer. Residents of certain states may be subject to stricter suitability standards than those stated above, and the General Partner may reject the subscription documents of subscribers not meeting such standards. Investments

in the Fund are offered by a confidential offering memorandum which provides investors with full disclosure regarding the objectives of the Fund and the risks involved with the offering. Investors that purchase Interests in the Fund will be admitted to the Fund as limited partners.

### **Tailoring of Advisory Services**

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The Adviser manages the funds and securities of the Fund on a discretionary basis. Discretionary authority allows the Adviser to decide on the specific types of investments, the quantity of investments, the broker-dealer to be used and the commission rates to be paid for the Client accounts without obtaining preapproval for each transaction. Due to the nature of the Adviser's business, Investors are not allowed to limit the Adviser's discretionary authority.

### **Participation in Wrap Fee Programs**

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The Adviser does not participate in or manage a wrap fee program.

### **Regulatory Assets Under Management**

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As of January 1, 2024, the Adviser has regulatory assets under management of \$66,733,256, all managed on a discretionary basis.

## **Item 5: Fees & Compensation**

### **Compensation for Our Advisory Services**

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**Management Fees.** In consideration for providing the investment management services to the Fund, the Adviser will generally receive a management fee (the "Management Fee") on the capital accounts of Investors. The Fund shall pay to the Investment Manager management fees (collectively, "Management Fees"), equal to 1/12 of 1.0% per calendar month (approximately 1.0% annually) of the lesser of (i) each Investor's share of the Fund's Net Asset Value or (ii) the Investor's Aggregate Unreturned Capital Contributions. The Management Fee shall be payable monthly in advance and calculated as of the first day of each calendar month. A pro-rated Management Fee will be charged to Investors on any amounts permitted to be invested or withdrawn during any calendar month.

The timing of payment of any accrued Management Fee amounts will be at the discretion of the Adviser. The Adviser, in its sole discretion, may waive or reduce the Management Fee with respect to one or more Investors for any period of time, or agree to apply a different Management Fee for that Investor. Any request by the Adviser for the payment of any Management Fee shall be accompanied by an invoice to the Fund of the amount of the Management Fee due to the Adviser.

Solidarity Capital Partners, LLC, the general partner to the Fund (the "**General Partner**"), on behalf of the Adviser has the authority to directly deduct from any Investor's capital account (the "**Capital Account**") any Management Fee to be paid to the Adviser. Any direct deduction of the Management Fee will be included in the account statements of the Investors.

Investors will also be charged a Performance Allocation as set forth in Item 6 below.

## **Other Fees and Expenses**

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**Fund Expenses.** The Adviser may advance the organizational costs and expenses of the Fund and if it does, it may seek reimbursement from the Fund for those amounts. Reimbursable expenses may include, but are not limited to, legal fees, accounting fees, and costs associated with the initial offering of Interests.

The Fund will be responsible for all ongoing costs and reasonable expenses associated with its administration and operation, as well as all investment expenses (both ordinary and extraordinary) incurred directly by the Fund (the “Operating Expenses”). Such Operating Expenses include, but are not limited to, (i) all expenses incurred in connection with the ongoing offer and sale of Interests, including, but not limited to, marketing expenses, reasonable travel and entertainment expenses, printing of the Fund’s confidential private placement memorandum and exhibits and any sales literature, documentation of performance and the admission of Investors; (ii) all operating expenses of the Fund such as rent, vehicle expenses, Management Fees, tax preparation fees, bank service fees, withholding or transfer taxes imposed on the Fund or any Investor, governmental fees and taxes, insurance, administrator fees, communications with Investors, ongoing legal, accounting, auditing, daily, middle and back office operations and accounting, third-party software and related systems, including accounting software, portfolio management systems, risk management systems, trade execution systems, order management systems, analytics, price quotation services and/or real time data services, computer hardware and related systems, offsite data storage, bookkeeping, consulting and other professional fees and expenses; (iii) all Fund trading and investment related costs and expenses (e.g., brokerage commissions and charges, margin interest, expenses related to short sales, research and investment related products, custodial fees, clearing and settlement charges, interest and other fees and charges of prime brokers, financial parties, banks and custodians); and (iv) all fees to protect or preserve any investment held by the Fund, as determined in good faith by the General Partner, and all litigation and indemnification fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the Fund, including extraordinary expenses, ongoing offering expenses, government fees, fees to the Administrator, research expenses, research-related travel expenses, Fund administration, operating overhead, communications, and other service providers’ expenses, insurance premiums (if any), printing costs, and all tax, accounting (and audit) and legal fees, its pro rata share of investment fees and expenses and similar ongoing operational expenses of the Fund, as well as extraordinary expenses, including, but not limited to, expenses relating to litigation or proceedings or examination by the Internal Revenue Service or other governmental bodies or self-regulatory organizations. The Fund may pay for the technology (i.e., computers, copiers, etc.), as well as replacement parts for such technology items and communications equipment and communications services used by the Adviser in providing services to the Fund. The General Partner, the Adviser and/or any Affiliates that advance any of the above Operating Expenses, each in their sole and absolute discretion, may from time to time pay for any of the foregoing Fund expenses or waive their right to reimbursement for any such expenses, as well as terminate any such voluntary payment or waiver of reimbursement. A portion of the Fund’s Operating Expenses may be shared with other investment entities or accounts managed by the General Partner, the Adviser or any of their Affiliates on an equitable basis. Except as otherwise set forth herein, Operating Expenses (other than the Management Fee, which shall be separately charged to each Investor’s Capital Account) shall be shared by all Investors in the Fund pro rata.

**Adviser Expenses.** The Adviser will be responsible for its own general operating and overhead expenses not associated with providing investment management services to the Fund.

**Brokerage Expenses.** Generally, the Fund is responsible for the payment of any broker's fees or commissions incurred in relation to the Fund's investments. See Item 12 – Brokerage Practices.

**Withdrawal.** Investors may withdraw any amount from their Capital Accounts as of the last day of February and August (each such date shall be referred to herein as a "Withdrawal Date") upon at least 180 days' prior written notice to the General Partner, and in such other amounts and at such other times as the General Partner may determine in its sole and absolute discretion except that no Investor shall withdraw any portion of its Capital Account that is subject to the Lock-Up Period (as defined herein). For the purposes of this Agreement, a "Lock-Up Period" is the twelve-month period following such Limited Partner's admission to the Fund. Unless the General Partner consents, partial withdrawals may not be made if they would reduce an Investor's capital account balance below \$250,000. All withdrawals will be made on a first-in-first-out basis and will be deemed to be made prior to the commencement of the first day of March or September as applicable following such Withdrawal Date. Further, withdrawal amounts will first be allocated to the aggregate capital contributions in an Investor's capital account and then to profits.

Subject to the sole and absolute discretion of the General Partner, any notice provided by an Investor to the Fund in connection with a withdrawal may be deemed irrevocable.

The General Partner, in its sole and absolute discretion, may permit withdrawals at such other times, or in such other amounts, as it determines. If the General Partner, in its sole and absolute discretion, permits an Investor to withdraw capital other than on a Withdrawal Date, the General Partner may impose an additional administrative fee to cover the legal, accounting, administrative, brokerage and any other costs and expenses associated with such withdrawal. Any imposed administrative fee will be retained by the Fund. Other than the administrative fee, which may be imposed on withdrawals other than on a permitted Withdrawal Date, and administrative costs and fees that may be charged for withdrawals occurring during a Lock-Up Period, there are no withdrawal fees associated with an Investor's withdrawal of capital from the Fund.

Except as specifically set forth in this Item 5 and Item 6 below, the Adviser or any supervised person will not accept any compensation for the sale of investments, investment products, or as a placement agent for any securities of the Fund.

## **Item 6: Performance Based Fees & Side-By-Side Management**

### **Client Qualification**

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The Adviser may only receive performance-based fees from an Investor that is a "qualified client" as that term is defined in Rule 205-3(d)(1) under the Advisers Act (17 Code of Federal Regulations §275.205-3).

### **Performance Allocations**

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The General Partner and not the Adviser will be entitled to receive a performance allocation from the Fund which will be accrued and paid as of the last day of each Performance Period (as defined herein). The "Performance Allocation" is the Performance Allocation Percentage (as defined herein) multiplied

by the percentage of Fiscal Period Net Income (as defined herein) for such period otherwise allocable to each Investor's Capital Account. For the purposes of this Brochure, "Fiscal Period Net Income" means the aggregate income received from option premiums, dividends and interest income. The Performance Allocation shall not be subject to a high water mark or loss carryforward provision, but will be subject to an annual clawback procedure (as discussed below). The "Performance Allocation Percentage" is set forth below in clauses (i) and (ii) and is determined by the Period Return Percentage (as defined below) for the Performance Period (as defined below). The "Period Return Percentage" is a percentage return for such Performance Period determined as follows: Fiscal Period Net Income for such Performance Period otherwise allocable to an Investor's Capital Account divided by that Investor's capital account balance at the beginning of such period. The Period Return Percentage will be based on an "Annualized Basis," which means that the Period Return Percentage is multiplied by a fraction, the numerator of which is 365 and the denominator of which is the number of days in the Performance Period.

- (i) If the resulting Period Return Percentage on an Annualized Basis for the Performance Period is less than or equal to the Hurdle Rate (as defined below), then the Performance Allocation Percentage allocable to the General Partner will be 0%.
- (ii) If the resulting Period Return Percentage on an Annualized Basis for the Performance Period is greater than the Hurdle Rate, then the Performance Allocation Percentage allocable to the General Partner over the Hurdle Rate will be 100%.

The time period upon which the Performance Allocation shall be based ends on the last day of any calendar quarter and commences from the day following the last day of the preceding calendar quarter (the "Performance Period"). A Performance Period may be pro-rated or adjusted for early withdrawals or subscriptions occurring at times other than the last day of a calendar quarter.

Note that any capital appreciation or depreciation related to the underlying investments in the Fund will be 100% allocable to the Investors. As such the General Partner may be entitled to receive a Performance Allocation even though the net asset value of the Fund decreases during any Performance Period.

The General Partner will also be entitled to receive a Performance Allocation upon any withdrawal by an Investor, whether voluntary or involuntary, and upon dissolution of the Fund. The Performance Allocation shall be in addition to the proportionate allocations of income and profits or losses to the General Partner and its Affiliates, based upon their Capital Accounts and relative to the Capital Accounts of all Investors.

The General Partner may only receive a Performance Allocation from an Investor that is a "Qualified Client", as defined under Rule 205-3(d)(1) of the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act"), or a "qualified purchaser" or a "knowledgeable employee," as defined in Section 2(a)(51) of the Investment Company Act or who otherwise meet the investor suitability standards set forth in the private placement memorandum and who have a net worth greater than \$2,200,000, or those for whom we manage a minimum of \$1,100,000, from the beginning of our agreement for services (Rule 205-3 under the Investment Advisers Act).

Performance-based fees are fees based on a share of capital gains or capital appreciation of an Investor's Capital Account. In its sole discretion, the Adviser may waive or reduce a Performance Allocation with respect to any Investor for any period of time or agree to apply a different performance-based fee for such Investor.



## **Hurdle Amount**

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The “Hurdle Amount” is calculated by multiplying: (i) 12% per annum (the “Hurdle Rate”), by (ii) the Aggregate Unreturned Capital Contributions (as defined below) of each Capital Account as of the beginning of any Performance Period or (other relevant fiscal period) after giving effect to any withdrawals from or withdrawal requests made and approved, and distributions by, the Fund that are or will be deemed to be a return of Capital Contributions to such Capital Account for the prior fiscal period. The Hurdle Amount will not be cumulative from period to period. The Hurdle Amount will be appropriately adjusted for periods of less than one year using the applicable pro-rated Hurdle Rate. If the Hurdle Amount is met, then the General Partner’s Performance Allocation will be based on the Fiscal Period Net Income above the Hurdle Amount before the Performance Allocation is assessed against each Investor’s Capital Account for such calendar quarter. For the purposes of this Brochure, “Aggregate Unreturned Capital Contributions” means the aggregate Capital Contributions made to an Investor’s Capital Account, less all withdrawals from such Capital Account that is attributed to Capital Contributions, provided that Aggregate Unreturned Capital Contributions cannot be less than zero.

## **High Water Mark**

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The Performance Allocation will not be subject to what is commonly known as a “high water mark” procedure unless agreed upon in advance between the General Partner and the Investor.

Under a “high water mark” procedure, if the Fund has a net loss in any calendar year, this loss will be carried forward as to each Investor to future calendar years. The amount carried forward is referred to as the “Loss Carryforward.” Whenever there is a Loss Carryforward for an Investor with respect to a calendar year, the General Partner will not receive a Performance Allocation from that Investor for future calendar years until the Loss Carryforward amount for the Investor has been recovered (i.e., when the Loss Carryforward amount has been exceeded by the cumulative profits allocable to such Investor for the calendar years following the Loss Carryforward). Once the Loss Carryforward has been recovered, the Performance Allocation shall be based on the excess profits (over the Loss Carryforward amount) as to each Investor, rather than on all profits. The “high water mark” procedure prevents the General Partner from receiving a Performance Allocation as to profits that simply restore previous losses and is intended to ensure that each Performance Allocation is based on the long-term performance of an investment in the Fund.

Since a “high water mark” procedure will not be in place, losses from prior months will not be carried forward to future months. Without a “high water mark” procedure, the General Partner will be entitled to receive a Performance Allocation on the profits that simply restore previous losses.

## **Clawback**

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At the end of each calendar year, in the event that the General Partner has received, during such calendar year, the aggregate Performance Allocations above which it is entitled, the General Partner will be required to restore funds to the Fund for the benefit of the Investors. The General Partner’s liability hereunder shall be limited to the lesser of (i) the amount of the excess allocated to the General Partner for such calendar year as set forth in the clawback provisions of the Fund’s limited partnership agreement, and (ii) the amount of the Performance Allocation actually received from Investors for such calendar year. The General Partner does not intend to hold any amount of its Performance Allocation in escrow to cover any clawback amounts. This clawback procedure shall reset at the beginning of each calendar year.

## Side-By-Side Management

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“Side-by-side management” refers to the simultaneous management of multiple types of Client accounts. Presently, the Adviser will not engage in any side-by-side management with regard to Client accounts.

## Item 7: Types of Clients & Account Requirements

Currently, the Adviser’s only Client is the Fund. The Fund’s Investors may include U.S. and Non-United States high net worth individuals, non-investment entities, investment companies, pooled investment vehicles, individual retirement accounts, pensions and profit sharing plans. The minimum investment by an investor in the Fund is \$500,000, however, the Adviser is authorized to accept lesser amounts in its sole discretion. The Adviser requires Investors to maintain a minimum account balance of at least \$250,000 after a withdrawal, pursuant to the requirements as set forth in the Fund’s confidential private placement memorandum, unless otherwise waived by the Adviser.

Investors in the Fund must qualify as “Qualified Clients” under Rule 205-3(d)(1) of the Investment Advisers Act and must either have at least \$1,100,000 under management with the Adviser, certify to the Adviser that such investor has a net worth of at least \$2,200,000 at the time of investment, or certify that such investor is a “qualified purchaser” or a “knowledgeable employee,” as defined in Section 2(a)(51) of the Investment Company Act.

## Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

The Fund’s investment objectives is focused on investing in equities and option writing (See – Item 4, Advisory Business). Specifically, the Fund’s strategies aim to preserve capital while providing reoccurring current income to Investors.

## Fund Objectives and Strategy

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The Adviser’s strategy objective is to provide Investors with reoccurring investment returns by focusing on collecting the premium in option writing strategies to include covered calls, cash-back puts, strangles, straddles, and other strategies. The Adviser will direct the Fund’s investment strategy, decisions, and portfolio management. To achieve the Fund’s objective, the Adviser may invest in a broad class of assets, including, but not limited to, long stock positions and exchange traded funds (“ETFs”) related to its derivative positions as well as invest in certain public debt positions as a cash management strategy. Additionally, the Adviser will invest in certain hedging strategies with the goal of reducing potential losses of principal, although there is no guarantee that losses will not occur.

The Adviser will use proprietary investment selection criteria and methodologies using a bottom-up fundamental analysis approach to measure each company’s individual characteristics combined with a quantitative model to manage risk within the portfolio, although risk can never be fully eliminated. This “quantamental” approach then has a top-down macroeconomic risk management overlay to evaluate

phases in the business cycle. Additionally, the Adviser will utilize certain hedging strategies with the goal of reducing potential losses of principal, although there is no guarantee that losses will not occur.

The Fund will attempt to execute consistent programs of implementing this methodology to increase investment income for the Fund while at the same time reducing the downside risk to the extent possible, although downside risk can never be fully eliminated. Although the strategy and asset allocation methodologies used by the Fund are primarily centered on reducing risk through option purchasing and writing, as well as through premium collecting, the Adviser intends to follow a flexible approach in order to place the Fund in the best position to capitalize on opportunities in the financial markets. Accordingly, the Adviser may employ other strategies and may take advantage of opportunities in diverse asset classes if they meet the Adviser's standards of investment merit to provide current income.

This general summary does not constitute a complete description of the investment strategies or the securities that may be employed by the Adviser or the Fund. Information about the Fund and its investment strategies can be found in the Fund's offering documents, including the Fund's Confidential Private Placement Memorandum.

## **Risk of Loss**

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The Adviser's investment program is speculative and entails substantial risks, including, among others: dependency on key individuals, risks related to public debt, risks associated with ETFs, risks related to derivatives and options, concentration risk, litigation risk, and the risk that exit strategies from positions may be unavailable and have limited liquidity. Any investment carries a certain degree of risk, including a possible loss of principal that Clients should be prepared to bear. The value of securities used in all of the Adviser's strategies may go up or down in response to factors not within the Adviser's control, such as, but not limited to, the status of an individual company underlying a security, or the general economic climate. There is no guarantee that any of the investment strategies that the Adviser employs will outperform the investment strategies used by other firms. Past results of the Fund, the Adviser or their principals, affiliated entities or funds are not necessarily indicative of the future performance of the Fund or the Adviser.

An investor should not invest with the Adviser unless: (1) it is fully able to bear the financial risks of its investment for an indefinite period of time; and (2) it can sustain the loss of all or a significant part of its investment and any related realized or unrealized profits. Investors could lose some or all of their investment with the Adviser. Past results of the Adviser, its principals, portfolio managers, funds, clients, affiliated entities or the Fund or are not indicative of the future performance with the Adviser.

## **Specific Risks**

General Risks: An investment in the Fund involves a significant degree of risk and is not intended as a complete investment program. The Fund may use aggressive, speculative investment techniques. The Fund is subject to all of the risks associated with the investment in and trading of equity securities, options, ETFs and other instruments. The values of such securities and instruments may be volatile and may be influenced by, among other things, national and international political and economic events, fluctuations in currency exchange rates, interest rates and government trade, fiscal, monetary and other policies and actions.

Consequently, the value of the investments in the Fund may be subject to sudden and substantial declines in value. The Interests in the Fund are not suitable for investment by any person who is not in a position

to hold its investment indefinitely or who cannot afford the loss of its entire investment. While the Adviser strives to attain the investment objective of the Fund through its research screening, investigation and portfolio management skills, there is no guarantee of successful performance, that the objective can be reached or that a positive return can be achieved. As a general rule, investors can expect that investments with higher return potential will also have a higher potential of risk of loss of capital or income.

Investment Risk: The Fund invests its assets in securities, some of which may be traded over-the-counter and some of which may not have a market. There are several risks inherent in such investments, some of which are specifically referenced below. Not only are such investments subject to investment specific price fluctuations, but also to macroeconomic, market and industry-specific conditions. Those risks may be significantly enhanced by changes in liquidity, absence of pricing transparency and the potential for volatility. Moreover, the Fund may have only limited ability to vary its investment portfolio in response to changing economic, financial and investment conditions. No assurance can be given as to when or whether adverse events might occur that could cause significant and immediate loss in the value of the Fund's portfolio.

Highly Volatile Markets. The prices of derivative instruments, including options, can be highly volatile. Price movements of derivative contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Fund will also be subject to the risk of the failure of any exchanges on which their positions trade or of their clearinghouses.

Fundamental Analysis Risk. This concentrates on factors that determine a company's value and expected future earnings or free cash flow. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Swing and Day Trading. Swing and day trading can lead to large and immediate financial losses. Swing and day trading involve aggressive trading, and generally a commission will be due on each trade. The total daily commissions paid on trades will add to losses or significantly reduce earnings. Swing and day trading also require in-depth knowledge of the U.S. equities markets and trading techniques and strategies. Under certain market conditions, it may be difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a Security or instrument suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a currency or instrument is, the greater the likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, there may be losses due to systems failures.

Small and Medium Capitalization Companies. The Adviser will generally invest the Fund's assets in the securities of companies with small to medium-sized market capitalizations. While the Adviser believes they often provide significant potential for appreciation, those stocks, particularly small- capitalization stocks, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small capitalization and even medium capitalization are often more volatile than prices of large capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in the securities of some small capitalization companies, an investment in those companies may be illiquid, particularly where the Fund holds concentrated positions.

Equity Securities Risks: The value of equity securities will rise and fall in response to the activities of the company that issued the securities, the performance of the industry, market sector or index underlying the securities, general market conditions, and/or specific economic or political conditions. In the short-term, equity prices can fluctuate dramatically in response to developments. Different parts of the market and different types of equity securities can react differently to developments. Issuer, political or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region or the market as a whole.

Long/Short Equity. Long/short equity strategies generally seek to generate capital appreciation through the establishment of both long and short positions in equities or fixed income, by purchasing undervalued securities and selling overvalued securities to generate returns and to hedge out some portion of general market risk. If the Adviser's analysis is incorrect or based on inaccurate information, these investments may result in significant losses to the Clients. Since a long/short strategy involves identifying securities that are generally undervalued (or, in the case of short positions, overvalued) by the marketplace, the success of the strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur, or may occur over extended time frames that limit profitability. Positions may undergo significant short-term declines and experience considerable price volatility during these periods. In addition, long and short positions may or may not be related. If the long and short positions are not related, it is possible to have investment losses in both the long and short sides of the portfolio. Long/short strategies may increase the exposure of a Client to risks relating to strategic transactions, leverage, portfolio turnover, concentration of investment portfolio and short-selling. These risks are further described in this section under their respective headings.

Short Sales. The Adviser may engage in short sale transactions. Short selling involves selling securities which may or may not be owned by the short seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Adviser engages in short sales will depend upon its investment strategy and perception of market direction. Such practice can, in certain circumstances, substantially increase the impact of adverse price movements on a Client's portfolio. Moreover, short selling is limited to securities that can be borrowed, and it may be necessary to cover short positions at undesirable times and at undesirable prices because securities that were shorted can no longer be borrowed. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. In addition, short selling involves the posting of collateral that will be returned to the Clients upon the satisfaction of the short sale. Amounts posted as collateral may be invested in cash or cash equivalent investments and may not generate the same level of return as the Adviser's other investments.

Exchange Traded Funds ("ETFs"). ETFs are a type of investment company bought and sold on a securities exchange. An ETF represents a fixed portfolio of securities designed to track a particular market index. Investments in ETFs may include Standard & Poor's Depositary Receipts ("SPDRs"). ETFs can be used to temporarily gain exposure to a portion of the U.S. market or to hedge other investments. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile. ETFs also have management fees that increase their costs. As a shareholder of an ETF directly, a Client would bear its pro rata portion of the ETF's expenses, including advisory fees. These expenses would be in addition to the fees and other expenses that a Client bear directly in connection with its own operations.

Debt and Other Income Securities. The Fund may invest in fixed income and adjustable rate securities. Fixed income securities, such as many of the bonds, notes, and debentures issued by corporations; debt

securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or by a foreign government; municipal securities; and mortgage-backed and asset-backed securities in which the Fund is likely to invest, are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed income securities increase when interest rates fall and decrease when interest rates rise. On the other hand, the prices of floating rate instruments such as many of the bank loans in which the Fund is likely to invest are unlikely to increase or decrease significantly in value when market interest rates fall or rise. Market risk relates to the changes in the risk or perceived risk of an issuer, asset class, country or region. Credit risk relates to the ability of the issuer or underlying assets to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities.

Option Transactions. The purchase or sale of an option by the Fund involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying instrument in excess of the premium payment received.

The Adviser on behalf of a Client may purchase or sell options for both investment purposes and for risk management purposes. If the seller of the put option owns a put option covering an equivalent number of units with an exercise price equal to or greater than the exercise price of the put written, the position is "hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the premium on the put option. If the buyer of the put option holds the underlying security, the loss on the put option may be offset in whole or in part by any gain on the underlying security.

The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the premium on the call option. If the buyer of the call option sells short the underlying security, the loss on the call option may be offset, in whole or in part, by any gain on the short sale of the underlying security.

Options may be cash settled, settled by physical delivery or by entering into a closing purchase transaction. In entering into a closing purchase transaction, the Fund may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

The put options that the Adviser writes (sells) on specific underlying equity securities are generally traded on a national securities exchange. By writing put options, a Client receives income in the form of cash premiums from the purchasers of these options in exchange for providing the purchasers with the right to potentially sell an underlying security to a Client. The Adviser is not expected to make a cash payment if the prevailing market value of the underlying equity securities on an expiration date exceeds the strike price of the put option that the Fund has written.

Part of the Adviser's investment strategy involves writing (selling) put options on a selection of equity

securities. This part of the Adviser's strategy subjects its Clients to certain additional risks. The Adviser, by writing put options, gives up the opportunity to benefit from potential increases in the value of the common stocks above the strike prices of the written put options, but continues to bear the risk of declines in the value of its common stock portfolio. A Client will receive a premium from writing a covered call option that it retains whether or not the option is exercised. The premium received from the written options may not be sufficient to offset any losses sustained from the volatility of the underlying equity securities over time.

Risks Associated with Selling and Writing Options. Starting with the day an option is sold, the option is subject to being exercised by the option holder at any time until the option expires. This means that the Adviser is subject to being assigned and exercised at any time after it has written an option until the option expires or until it has closed out the Fund's position in a closing transaction. If assigned, the Adviser may not receive notice of the assignment until one or more days after the Options Clearing Corporation ("OCC") has made the assignment. Once an exercise has been assigned to the Fund, the Adviser can no longer close out the assigned position in a closing transaction. In such case, the Adviser must deliver (in the case of a call) or purchase (in the case of a put) the underlying security. As covered call writers, the Fund will forego the opportunity to benefit from an increase in the value of the underlying securities above the option price while continuing to bear the risk of a decline in value. If the Adviser is assigned an exercise, the net proceeds that the Fund will realize from the sale of the underlying security pursuant to the exercise could be substantially below its prevailing market price.

As "naked" or uncovered call writers, the Fund could incur large losses if the value of the underlying securities increases above the exercise price. The potential for loss is unlimited. If an uncovered call were assigned as an exercise, the Adviser would have to purchase the underlying security in order to satisfy its obligation on the call. The Fund's losses would be the excess of the purchase price over the exercise price of the call reduced by the premium received for writing the call. Anything that may cause the price of the underlying security to rise dramatically, such as a strong market rally, can cause large losses.

The risk of writing put options is substantial. As a writer of put options, the Fund will bear the risk of loss if the value of the underlying securities declines below the exercise price, and such loss could be substantial if the decline is significant. In such case, the Fund would bear the risk of a decline in the price of the underlying security, potentially to zero. If the Fund were assigned an exercise in this position, the Adviser would be required to purchase the underlying security at the exercise price, which could be substantially greater than the current market price of the underlying security.

Risks Associated with Writing Multiple Options in Combination. The Adviser may attempt to reduce risk by purchasing other options on the same underlying securities it writes options on, and thereby assuming a "spread" position, or by acquiring other types of hedging positions in the options market. However, even when the Adviser assumes a spread or other hedging position, the risks may still be significant. Transactions that involve writing multiple options in combination or writing options in combination with buying or selling short the underlying securities, present additional risks. For example, it may at times be impossible simultaneously to execute transactions in all of the options involved in the combination. Also, it may be difficult to execute simultaneously two or more buy or sell orders at the desired prices. There is the possibility that a loss could be incurred on both sides of a combination transaction. There is increased risk exposure that may result from the exercise or closing out of one side of a trade while the other side of the trade remains outstanding. Also, the transaction costs of combination transactions can be especially significant since separate costs are incurred on each component of the combination.

Illiquid Investments. Some securities to be invested in by the Fund may be lightly traded or otherwise have

markets of limited or no liquidity. Although liquidity will be an element of risk that the Adviser will endeavor to identify and control, there is no assurance it will be successful in doing so. Investing in securities with limited or no liquidity may impair the Fund's ability to dispose of such securities on a timely basis and therefore its ability to limit losses and realize gains. As there is no active trading market for these kinds of securities, the Fund may only be able to liquidate such positions at highly disadvantageous prices. Short sales of illiquid securities are particularly subject to the risk inherent in the difficulty of borrowing the securities needed to cover these positions.

Hedging Transactions. The Fund may use a variety of financial instruments, such as options and ETFs, to seek to hedge against declines in the values of its portfolio positions as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the hedged portfolio positions should increase. It may not be possible for the Fund to hedge against a change or event at a price sufficient to protect the Fund's assets from the decline in value of the portfolio positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all. To the extent that hedging transactions are effected, their success will be dependent on the Fund's ability to correctly predict movements in the direction of currency or interest rates, the equity markets or sectors thereof or other events being hedged against. Therefore, while the Fund may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, or the risks of a decline in the equity markets generally or one or more sectors of the equity markets in particular, or the risks posed by the occurrence of certain other events, unanticipated changes in currency or interest rates or increases or smaller than expected decreases in the equity markets or sectors being hedged or the non- occurrence of other events being hedged against may result in a poorer overall performance for the Fund than if the Fund had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, the Fund may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to additional risk of loss.

Institutional Risk: The Adviser may need to enter into contractual arrangements with various brokerage firms, banks and other institutions. There is a possibility that the institutions, including brokerage firms and banks, with which the Adviser does business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may substantially impair the operational capabilities or the capital position of a Client's account.

Concentration of Investments: A relatively high percentage of a Client's assets may be invested in securities relating to a limited number of underlying issuers, industries or market sectors. Investing a significant portion of a Client's assets in a limited number of underlying issuers, industries or market sectors makes a Client significantly more susceptible to risks affecting investments in such underlying issuers, industries or market sectors. As such, a Client's portfolio securities may be more susceptible to any single economic, political or regulatory occurrence than the portfolio securities of a diversified investment company. Such concentration of investments may increase the volatility of a Client's portfolio as a whole.

Non-Public Information: When the Adviser is advising, consulting or otherwise in dialog with an existing or potential target investment portfolio company, the Adviser may come into possession of non-public information concerning those companies. Under applicable securities laws, this may limit the Adviser's



flexibility to buy or sell portfolio securities issued by such companies.

Use of a Broker to Hold Assets: Special risks exist because the assets of a Client will be held by a broker rather than a bank. In the event that the broker experiences severe financial difficulty, a Client's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time while the broker's business is liquidated, resulting in a potential loss to a Client due to adverse market movements while the positions cannot be traded. Furthermore, if the broker's pool of assets is determined to be insufficient to meet all claims, a Client could suffer a loss.

Limitations on Liability; Indemnification. The Investment Advisory Agreement sets forth the circumstances under which the Adviser and other persons are to be excused from liability to a Client for damages or losses that such Client may incur by virtue of any such person's performance of services for the Adviser. As a result, Clients may have a more limited right of action in certain cases against these persons than they might otherwise have. Notwithstanding the information set forth in this paragraph, nothing in the Investment Advisory Agreement or in any agreement between the Adviser and a Client shall in any way constitute a waiver or limitation of any rights which a Client may have under any federal or state securities laws.

Execution of Orders. The Adviser's trading strategy depends on its ability to establish and maintain an overall market position in a combination of securities. Should the Adviser's trading orders not be executed in a timely, accurate and efficient manner, a Client might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, a Client might not be able to make such adjustment. In such an event, a Client would not be able to achieve the market position selected by the Adviser, and might incur a loss in liquidating its position, incur an opportunity cost relating to the value of the portfolio or deviate from the targeted level of portfolio risk. Additionally, the Adviser may not always be able to execute orders efficiently, leading to sub-optimal execution prices which may reduce the value and investment returns of the accounts of its Clients.

Systems Risks. The Adviser relies extensively on computer systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of a Client's activities. In addition, certain of the Adviser's operations interface with or depend on systems operated by third parties, including its brokers and market counterparties. A defect or failure in any of these systems could have a material adverse effect on the Adviser and ultimately a Client.

The Adviser's Clients and Investors should be prepared to bear the risk of loss.

THIS LIST MAY NOT DESCRIBE ALL OF THE RISKS RELATING TO THE FUND OR THE RISKS ASSOCIATED WITH THE ADVISER'S INVESTMENT STRATEGIES. INVESTORS SHOULD READ THE ENTIRE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND ALL OTHER MEMORANDA ASSOCIATED WITH THE OFFERING. INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND, THE ADVISER, AND THE TERMS OF THE OFFERING INTERESTS INCLUDING THE MERITS AND RISKS INVOLVED.

## **Item 9: Disciplinary Information**

The Adviser is required to disclose all material facts regarding any legal or disciplinary events that would be material in evaluating the Adviser or the integrity of the Adviser's management. None of the Adviser's ownership or staff has been involved in any legal or disciplinary events that would have a material adverse effect on the integrity of the Adviser's management or the services it provides to its Clients.

## **Item 10: Other Financial Industry Activities & Affiliations**

### **Outside Business Activities**

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Neither the Adviser, nor any of its management persons is registered, or has an application pending to register as a broker dealer, registered representative of a broker dealer, commodity pool operator, commodity trading advisor or associated person with the foregoing entities. Beyond its own operations, neither the Adviser nor its staff has activity in the financial industry other than certain activities through affiliated entities disclosed below.

### **Affiliated Entities**

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The Adviser is the investment manager of the Fund. Representatives of the Adviser are also managers and beneficial owners of the General Partner which receives the performance compensation from the Fund. Representatives of the Adviser are also registered representatives of Solidarity Wealth, LLC, an investment adviser registered with the SEC ("Solidarity Wealth"). Solidarity Wealth provides investment advice to clients with separately managed accounts which may make similar investments as to the Fund and charge lower fees. Performance-based fee arrangements may create an incentive for the Adviser or its affiliates to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. Additionally, other conflicts can arise with the simultaneous management of multiple accounts by the Adviser and its affiliates as investment professionals must allocate their time and investment ideas across multiple accounts. A conflict of interest exists as soliciting or the recommendation to clients of Solidarity Wealth to invest in the Fund creates an incentive for additional compensation to be earned.

The Adviser and its affiliates seek to mitigate these potential conflicts by (i) ensuring, through regular review of accounts, that all transactions are in accordance with the governing documents of the client, (ii) allocating opportunities pro rata across all eligible accounts managed by the Adviser or its affiliates, (iii) treating similar accounts *pari passu*, and (iv) ensuring that Solidarity Wealth clients solicited to invest in the Fund are not charged an advisory fee by Solidarity Wealth.

### **Conflicts of Interest**

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The Adviser does not recommend or select other investment advisers for its Clients and does not receive

compensation directly or indirectly from any advisers that create a material conflict of interest.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

The Adviser has published a code of ethics for all supervised persons of the Adviser describing its high standard of business conduct, and fiduciary duty to its Clients and Investors (the “Code of Ethics”). The Code of Ethics sets out ideals for integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence for the Adviser and its employees to espouse in the interest of Client and Investor protection. The Code of Ethics focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. All employees of the Adviser are required to certify that they have read, understand and will comply with the Code of Ethics annually.

The Code of Ethics includes the Adviser’s policies and procedures developed to protect Client and Investor interests in relation to the following topics:

1. The duty at all times to place the interests of Clients and Investors first;
2. The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code of Ethics;
3. The responsibility to avoid any actual or potential conflict of interest or misuse of an employee’s position of trust and responsibility;
4. The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients and Investors is confidential; and
5. The principle that independence in the investment decision-making process is paramount.

Investors and any prospective investor may request a copy of the Adviser’s Code of Ethics by contacting Jeffrey McClean by phone at (385) 374-1665 or via email at [jeff@solidaritycapital.fund](mailto:jeff@solidaritycapital.fund).

### **Participation or Interest in Client Transactions**

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The Adviser serves as the investment manager to the Fund, a private pooled investment vehicle. In the conduct of the Fund’s business, conflicts may arise between the interests of the Adviser and those of the Fund and Investors. While the Adviser is accountable to the Fund and Investors as a fiduciary and, consequently, must exercise good faith and integrity in handling the Fund’s business, investors should be aware of the potential for such conflicts of interest and their possible ramifications. The Adviser does not have an obligation to devote full-time service to the business of the Fund. It is only required to devote as much time and attention to the affairs of the Fund as they decide is appropriate. Should the Adviser not devote appropriate time to the Fund, it could be detrimental to the performance of the Fund.

Additionally, the Adviser and/or its affiliated persons may invest in the same securities that are recommended to and/or purchased for the Clients. The Adviser and/or its affiliated persons do not recommend securities to the Clients in which the Adviser and/or its affiliated persons has a material financial interest. As a fiduciary to its Clients, the Adviser has adopted procedures designed to assure that the personal securities transactions, activities and interests of the Adviser and/or its affiliated persons

will not interfere with the Adviser's ability to make investment decisions in the best interest of the Clients.

## **Personal Trading Practices**

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At times the Adviser and/or its principals may buy or sell – for their accounts – investment products identical to those purchased by the Fund. This creates a conflict of interest due to the ability to transact ahead of client transactions. The Adviser has developed policies and procedures that govern principal's personal trading and reasonably designed to prevent the misuse of material non-public information by the Adviser or any access persons of the Adviser with regards to their personal securities transactions.

The Adviser and/or any of its affiliated persons will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to Client trades. The Adviser will not violate its fiduciary responsibilities to the Clients and will act consistently with the Code of Ethics and the related the policies and procedures. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the Clients at the time of trading. Incidental trading is not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have a negligible effect on the market price), and would not be disclosed at the time of trading.

## **Item 12: Brokerage Practices**

### **Selection of Broker-Dealers and Custodians**

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The Adviser will select custodian and brokers that are independent and unaffiliated to the Adviser and are members of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

The custodian offers the Adviser the following clearing, custodial and record keeping services: (i) settlement of transactions; (ii) the transfer of record ownership of securities; (iii) the receipt and delivery of securities purchased, sold, borrowed and loaned; (iv) financing of transactions through margin loans and compliance with margin and maintenance requirements; (v) custody of securities and funds; (vi) tendering securities in connection with tender offers, mergers or other corporate reorganizations; and (vii) maintenance of accounts and records for each transaction. In placing portfolio transactions, the Adviser seeks to obtain the best execution for the Fund, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker and/or dealer; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates or mark-ups in comparison with other brokers or dealers satisfying the Adviser's other selection criteria. While the Adviser may not always obtain the lowest commission rate, the Adviser believes the rate is reasonable in relation to the value of the brokerage and research services provided.

The broker will receive brokerage commissions and will charge margin interest related to the securities transactions of the Adviser's Clients. The Adviser is not committed to continue its prime brokerage and custodial relationship with the Custodian and may enter into prime brokerage and custodial relationships

with other brokers. In the event that the Adviser changes its prime brokerage or custodial relationship, the Adviser will notify its Clients of such change.

## **Research and Other Soft Dollar Benefits**

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The broker may offer products or services including software and other technology that provide access to the client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), facilitate payment of any fees from the clients' accounts, and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including accounts not maintained at the custodian.

The Adviser may also receive services from the custodian or broker in connection with the management and development of the Adviser or the Fund. These services may include website design and technology support. The custodian or broker may also have arrangements with various product vendors, which enable the Adviser to purchase their products at a discount. These products may include such items as: client reporting and consolidated statement software; client communication software; client relationship management software; compliance assistance; and investment research.

The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of an investment adviser's clients. The Adviser does not intend to use soft dollars to pay for any products or services for its Clients, but reserves the right to do so in the future upon notice to the Client, and Investor. Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), contains a safe harbor from the relevant restrictions that is available if soft dollars are used only for brokerage services and internally-developed research. The Adviser may intend to use "soft dollars" only in connection with its receipt of products and/or services that would constitute "research" and/or "brokerage" within the meaning of Section 28(e) of the Exchange Act. Commissions charged by the broker may be higher than commissions charged by brokers that do not provide research and/or brokerage services. As permitted by Section 28(e) of the Exchange Act, the Adviser may cause a Client to pay the broker that provides brokerage and research services to the Client an amount of commission for effecting a securities transaction for the Client in excess of the commission another broker-dealer would have charged for effecting the same transaction.

Although not considered "soft dollar" compensation, the Adviser may receive benefits from broker-dealers used to execute trades on an agency-only basis for research services to include reports, software, and institutional trading support.

## **Brokerage for Client Referrals**

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The Adviser may direct some Fund brokerage business to brokers who refer investors to the Fund. Because such referrals, if any, are likely to benefit the Adviser but will provide an insignificant (if any) benefit to Investors, the Adviser will have a conflict of interest with the Fund when allocating brokerage business to a broker who has referred investors to the Fund. To prevent brokerage commissions from being used to pay referral fees, the Adviser will not allocate brokerage business to a referring broker unless the Adviser determines in good faith that the commissions payable to such broker are reasonable in relation to those available from nonreferring brokers offering services of substantially equal value to the Fund.

Although the Adviser does not currently sell Interests of the Fund through broker-dealers, placement agents and other persons, the Adviser in the future may sell Interests through broker-dealers, placement agents and other persons and pay a marketing fee or commission in connection with such activities, including ongoing payments, at the expense of the Adviser or the General Partner.

### **Directed Brokerage**

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The Adviser does not allow Clients to direct brokerage to a specified broker-dealer, as all Client trades will be executed through broker-dealers chosen by the Adviser. As a result, the Clients may pay higher commissions, have higher transaction costs, or receive less favorable prices. As previously stated, neither the Adviser, nor its principals, are affiliated with the custodians or brokers selected by the Adviser. Since the Adviser intends to use selected broker-dealers, the Clients may pay higher transaction fees than the rates available through other broker-dealers.

### **Trade Aggregation**

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The Adviser may aggregate purchase and sale orders of securities held by the Clients with similar orders being made simultaneously for other accounts or entities, if, in the Adviser's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to its Clients based on an evaluation that the Clients will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of securities for the Clients is affected simultaneously with the purchase or sale of like securities for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, at the Adviser's sole discretion, and the Clients may be charged or credited, as the case may be, with the average transaction price.

The Adviser will review a Client's investments on a regular basis, no less than quarterly. Additional reviews may be triggered by investment purchase or sale decisions, account rebalancing, actual or anticipated significant cash flows into or out of an account, changes in investment objectives, and/or changes involving the companies in which securities were purchased. These reviews include a review of the underlying companies in which investments are made. Such reviews will be conducted by Mr. McClean, the Chief Compliance Officer of the Adviser.

## **Item 13: Review of Accounts**

The broker and custodian for Clients provide monthly statements to the Adviser and the administrator of the Fund will provide quarterly statements and reports to the Investors, which provide each Investor with information regarding returns and account balances.

Reports will contain information on the Client's account performance and detail account investments. Quarterly reports to Investors will not include details of actual investments currently owned as of the end of a calendar quarter or traded by the Fund during the calendar quarter. All reports to Clients and Investors are written but may be sent electronically.

## **Item 14: Client Referrals & Other Compensation**

The Adviser does not receive any compensation from third parties in exchange for providing investment advice or other advisory services to its Clients, including the Fund.

Further, the Adviser will not compensate Investors for referring potential investors to the Adviser, because the Adviser would be considered a solicitor and would have to satisfy requirements under Rule 206(4)-3 of the Investment Advisers Act or similar state rules regarding solicitation arrangements before a cash referral fee could be paid to them.

However, FINRA registered broker-dealers and placement agents may be compensated for referring potential investors to the Fund. Payment of commissions to licensed broker-dealers or placement agents will be made by the Advisor and/or General Partner. Paying third-parties for soliciting Investors creates a conflict of interest as the Fund provides a financial incentive that may influence those third parties to recommend investors the Fund.

## **Item 15: Custody**

The Adviser does not maintain physical possession of the Fund's assets, but is deemed to have custody of its assets under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, because it and its affiliate, the General Partner have fee deduction authority. In order to comply with Rule 206(4)-2, the Adviser utilizes the services of a qualified custodian (as defined under Rule 206(4)-2) to hold all of the Fund's assets. In accordance with Rule 206(4)-2, we also (1) engage an outside auditor to audit the Fund at the end of each fiscal year and (2) distribute the audited financial statements that are prepared in accordance with U.S. generally accepted accounting principles to all Investors within 120 days after the end of the fiscal year.

## **Item 16: Investment Discretion**

The Adviser manages its Clients' funds and securities, including those of any Investors on a discretionary basis. Discretionary authority allows the Adviser to decide on the specific types of investments, the quantity of investments, the broker-dealer to be used without obtaining preapproval for each transaction. Due to the nature of the Adviser's business, the Fund is not allowed to limit the Adviser's discretionary authority. This authorization will remain in full force and effect until the Adviser receives a written termination notice of the investment management agreement from the Fund.

## **Item 17: Voting Client Securities**

The Adviser believes that the strategy does not generally benefit from traditional proxy voting outcomes for multiple reasons, and we have determined that actively participating in proxy voting is not beneficial to the investment process or our Clients. Though we will follow the proxy voting procedures below should we determine voting would create value for the strategy. The Adviser is authorized to instruct the custodian to forward promptly to the Adviser copies of all proxies and shareholder communications relating to securities held in a Client's account (other than materials relating to legal proceedings).

The Adviser will determine how to vote proxies based on its reasonable judgment that is in the best interest of the Fund. This may include abstaining from voting. If the Adviser determines that it is in the best interest of the Client, proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, the Adviser will consider both sides of each proxy issue. The Fund's Investors are not able to instruct the Adviser on how to vote on any particular proxy; however, the Fund may, upon request, obtain a copy of proxy voting policies and procedures and information on how proxies were voted by contacting the Adviser using the contact information on the first page of this Brochure.

A Client may obtain a copy of the Adviser's proxy voting policies and procedures, upon request.

## **Item 18: Financial Information**

The Adviser does not require or solicit prepayment of more than \$500 in fees per Client, six months or more in advance.

The Adviser does not have reportable financial disclosures – i.e., disclosures in which the Adviser's financial condition would impair the Adviser's ability to meet contractual commitments to Clients.

Neither the Adviser nor any related persons to the Adviser have been the subject of a bankruptcy petition.