Manager: Revolution Capital Management Date: 5/3/2012

Completed by: Michael Mundt, Managing Member of RCM LLC

**General:**

1. **Discuss any Changes in Strategy/Product Offerings: No recent changes except for the addition of intra-day strategies in 2012 (exact introduction date TBD for Alpha and GSI). Enhancements to Alpha and Mosaic were made in late 2009. Also note that Alpha Fund was a trend-following program until August 2006.**
2. **Discuss any Changes in Key Personnel Over the Last 5 Years: Two technical personnel added in early 2009.**
3. **Related Entities/Nature of Transactions with Related Entities:**

* **Registrations of related entities? N/A.**
* **Affiliated broker transactions? N/A.**
* **Cross trades? N/A.**

1. **Top 5 Largest Accounts (type and NAV): (for Alpha only)**

**$2.71 million, High Net Worth Individual**

**$2.71 million, High Net Worth Individual**

**$2.64 million, High Net Worth Individual**

**$2.03 million, High Net Worth Individual**

**$1.86 million, High Net Worth Individual**

1. **Investor Base (HNW/Institutional/FOF/Endowments/etc): HNW and FOF for Alpha; Institutional, FOF, and HNW for Mosaic; Institutional for GSI.**
2. **Internal Money Invested in Funds (i.e., GP, Employees, etc.)? Yes, in Alpha fund, by principals, employees, and RCM LLC as GP. Principals of RCM LLC and RCM LLC itself are invested in the Mosaic Fund.**
3. **Fees Paid by Internal Investors? None at present. Previous Alpha Fund LP structure required internal investors to pay full fees.**

**Trade Capture:**

1. **What is the Process? Trades are done electronically and mostly algorithmically.**
2. **Trade Blotters Maintained? Reconciled to Books? Full electronic records are kept and end-of-day reconciliations are done for every account.**
3. **Pre-numbered Trade Tickets or Entered Directly into Trade Capture? Direct.**
4. **Trade Confirmations: Done electronically with automatic notifications in case of confirmation failure.**

# Physical Clearing:

1. **Bank Loans, Participations, Private Equity, Other? N/A.**
2. **Custody of Legal Documents/Stock Certificates: N/A.**
3. **Settlement Issues: N/A.**
4. **Document Retention Policies over Original Documents: N/A.**

**Trade Allocations:**

1. **How Many Funds/Managed Accounts? For Alpha, 8 including the Fund.**
2. **Pari Passu or Manager Discretion? Pari Passu.**
3. **Does your Order Management System Automatically Calculate? Yes.**
4. **How are Deviations from Standard Allocation Procedures Documented? Quarterly reviews are done per NFA regulations. All results are documented in electronic files.**
5. **Average Price Allocated on Pro Rata Basis?** **APS used when available.**
6. **Rebalancing Performed? N/A.**
7. **Historical Deviation of Returns in Various Accounts: For equal-sized accounts, the variability is typically within 0.10%.**
8. **Have any Regulatory Authorities ever Commented on your Allocation Procedures? If Yes, Describe. The NFA performed a routine audit in 2011 and found no deficiencies with our allocation procedures.**

**Derivatives:**

**Swaps/Currency Forwards: None.**

1. **What Type?**
2. **Counterparties (ISDAs):**
3. **Confirmation Process:**
4. **Payment Process:**
5. **Collateral Monitoring:**
6. **Pricing:**
7. **Settlement issues:**

**Foreign Exchange: No OTC, only exchange-traded futures contracts.**

1. **Foreign Exchanges on which you Trade:**
2. **Types of Instruments used:**
3. **Purpose:**
4. **Counterparties:**
5. **Pricing:**
6. **Settlement issues:**

**Business:**

# Key Reconciliations (describe who performs and frequency):

1. **Cash: business accounting done by our accountant, JBSK CPAs.**
2. **Positions: N/A for LLC. For positions in Fund or in managed accounts, automated procedures cross-check orders, fills, and trade files every night and generate a report so that broker can be contacted and necessary corrections can be made.**
3. **Realized and Unrealized: N/A for LLC.**
4. **Dividend and Interes**t: **N/A for LLC.**
5. **Corporate Actions: N/A for LLC.**
6. **PB/Trader/Administrator: N/A for LLC.**

**Prime Brokers: N/A.**

1. **List of Prime Brokers:**
2. **Reason for Multiple PB Relationships:**
3. **Information Aggregation:**
4. **Do you use PB for Risk Reporting? Describe.**

**Accounting:**

1. **Changes in Accounting Practices: None.**
2. **Changes in Auditors: Changed Alpha Fund auditors in 2006 due to dissatisfaction with quality/responsiveness of original auditor.**
3. **Disagreement with Auditors: None.**
4. **Management Control Recommendation Letters issued? None.**
5. **Timing of K-1’s/PFICs and Audited Financials: Late March for K-1s for Alpha Fund.**

# Administration:

1. **Does Independent Administrator Keep Books and Records for the Funds?**

* **Yes/ No No, but our accounting firm helps do independent end-of-month calculations for Alpha Fund NAV computations.**
* **If yes, who is independent administrator?**

1. **Independent Pricing? N/A. Pricing is provided by exchange and is unambiguous.**

* **Yes/ No**
* **How often? Daily/ Weekly/ Monthly**
* **Is there an automatic pricing feed from the independent source? Yes/ No**
* **What pricing sources are used?**

1. **NAV Calculations Independent of PM? No, but a year-end, independent audit of Fund is performed per NFA regulations in order to verify NAVs, cash, positions, etc.**

* **Yes/ No**
* **If yes, does the PM prepare an independent NAV to mirror the administrator? Yes/ No**

1. **Does Administrator Report the NAVs to Investors Directly? N/A.**

* **Yes/ No**
* **If yes, does the PM/CFO review the NAV and sign-off prior to release? Yes/ No**
* **Is there a formal sign-off procedure in place for the monthly NAV? Yes/ No**

1. **All Accounting Data Maintained in House?**

* **Yes/ No Yes.**
* **If yes, are there proper procedures in place to ensure proper document retention? Yes/ No Yes.**
* **If no, is all documentation retained at the administrator? Yes/ No N/A.**

**Compensation Structures:**

1. **Are Deferred Bonuses Invested in Funds? No.**
2. **Are a Percentage of Incentive Fees Paid to Employees as Part of the Bonus? Yes.**
3. **Formulaic vs Discretionary:**

* **How is the bonus calculated? Formulaic/ Discretionary Discretionary.**
* **What are the parameters used to calculate the bonus? Fund performance/ personal performance/ both? Both.**

1. **Who is Responsible for Determining Bonuses? Managing members (Rob Olson, Mark Chapin, Michael Mundt).**

**Cash Management:**

1. **Approval on Cash Disbursements:**

* **Who is responsible for approval of all cash disbursements? for LLC, all managing members.**
* **If expenses are paid via the administrator, who is responsible for signing on behalf of the administrator? N/A.**

1. **Are Dual Signatures Required? If yes, Over What Dollar Amount? Managing member approval required for any amount over $25,000.**
2. **Cash Reconciliation Process:**

* **How often does the cash reconciliation process take place? Daily/ Weekly/ Monthly N/A because the LLC does not hold cash.**
* **Who is responsible for performing the cash reconciliation? N/A for LLC.**
* **Who is responsible for reviewing the cash reconciliation? N/A for LLC.**

1. **Inventory of all Cash Accounts (i.e., prime broker, administrator’s bank, other):**

* **Where does the fund maintain cash accounts?**
  + **Prime broker N/A for LLC.**
  + **Administrator – Are these accounts used specifically for subscriptions and redemptions? Yes/ No N/A for LLC.**
  + **Other cash accounts? Yes/ No - If yes, where are they located? LLC has checking/savings accounts at Northern Trust and US Bank.**

1. **Cash Reserves:**

* **Does the fund maintain cash reserves? Yes/ No The LLC attempts to hold 3+ years of operating expenses in reserve.**
* **What are the cash reserves being held for? Future operating expenses.**

**Systems:**

1. **Trade Capture/Order Management:**

* **Is there a trade capture/order management system in place? Yes/ No Yes.**
* **What is the trade capture/order management system? Orders are generated automatically and sent to order desk. Order desk submits orders for algorithmic execution. Fill prices are automatically ingested and reconciled with orders. Broker trade files are also automatically ingested and reconciled with orders.**

1. **Real Time P&L:**

* **Is there are real time P&L system in place? Yes/ No No.**
* **What is the real time P&L system?**

1. **Portfolio Accounting: N/A.**

* **Is there a portfolio accounting system in place? Yes/ No**
* **What is the real time portfolio accounting system?**

1. **Risk Management:**

* **Is there a risk management system in place? Yes/ No Yes.**
* **What is the risk management system? Dynamic position sizing, position limits, and market-stress-based deleveraging are built into the trading system itself.**

1. **General Ledger: N/A.**

* **What is the G/L system?**

1. **NAV/Shareholder Reporting N/A.**

* **Is there a separate system in place for the NAV/ shareholder reporting? Yes/ No**
* **What is the system being used for NAV/ Shareholder reporting?**

**Compliance:**

**Pricing:**

1. **Pricing Policy: All prices are official valuations obtained directly from exchanges.**
2. **Is the Pricing Policy Formally Documented? Where? Standard procedure per CFTC/NFA.**
3. **Is the Pricing Policy Consistently Followed? Yes.**
4. **Price Verification Procedures: N/A.**

* **Who performs?**
* **How often?**
* **Is formal documentation maintained?**

1. **What are Sources of Prices for Pricing the Portfolios (by investment type)? Exchange.**
2. **What are the Sources of Prices for Price Verification Procedures? N/A.**
3. **Illiquids Pricing Policy/Sources: N/A.**
4. **Pricing Feeds Utilized: N/A.**
5. **Reconciliation between Trader, PB and Administration: N/A.**
6. **Auditors Verify Pricing Monthly? N/A.**

**Liquidity:**

* 1. **Largest Size (as a % of portfolio) of Illiquid Securities? 0%**
  2. **Controlling Interest in Any Investments? N/A.**
  3. **Largest Positions in these Type of Investments? N/A.**
  4. **Holding Period of Illiquid Securities? N/A.**

**Disaster Recovery/Back-up Procedures:**

1. **Are There Daily Back-up Procedures Performed? Yes/ No Yes.**
2. **Is it a Tape or Server Back-up? Server (hard-disk based).**
3. **Is There an Off-site Facility used to Store the Back-ups? Yes/ No Yes.**
4. **If it is a Tape Back-up, how Often are Tapes Sent to an Off-site Storage Facility? Daily/ Weekly/ Monthly/ Infrequent N/A.**
5. **Is There an Off-site Server (i.e. duplicate server)? Yes/ No Yes.**
6. **Is the Off-site Server Located in a Different Power Grid? Yes/ No Yes.**
7. **Are Employees Able to Log on to the Server from Outside the Office? Yes/ No Yes.**
8. **Do any of the Traders/PM’s have Access to Trade from Home? Yes/ No Yes.**
9. **How Often do they Trade from Home? Frequently/ Rarely/ Never Never.**
10. **Do the PM’s have Bloomberg Traveler in Case they are Outside the Office? Yes/ No No.**
11. **Does the Fund have any Agreements in Place for Defined Space in Case they are not Able to Access the Office? Yes/ No Yes.**
12. **If so, Where do they have Space? Residences.**
13. **What System is used for Email Retention? Google online mail.**
14. **Are all Emails Retained? For how Long? Yes. Indefinitely.**
15. **How are Key Systems Backed-up? On-site and remotely in an automated fashion.**
16. **Has the Disaster Recovery Plan been Tested? What were the Results? Yes, see previously-sent Plan for more details.**

**Regulatory:**

1. **Oversight? SEC, CFTC, FINRA, FSA? CFTC/NFA.**
2. **Procedures for Compliance with Regulatory Guidelines: follow all NFA compliance guides.**

* **Is there an in-house compliance officer? Yes/ No Yes.**
* **If yes, name and tenure with the firm? Michael Mundt, co-founder.**
* **Is there a formally documented procedure for compliance with regulatory guidelines? Yes/ No Yes, including a strict yearly review following the NFA self-exam guide. There are additional quarterly bunched order reviews and quarterly and yearly fund reporting requirements.**

1. **Recent Regulatory Exams:**

* **Have there been any recent regulatory exams? Yes/ No Yes, NFA in 2011.**
* **If yes, when was the last review? 2011.**
* **Who performed the review? NFA (lead field auditor was Lennox Compass from NY office)**
* **If yes, please provide a copy of the findings letter and responses**

1. **Required Licensure Maintained and Monitored? N/A.**

* **List current licenses being maintained.**
* **Who is responsible for monitoring?**

1. **Regulatory Reporting Responsibilities:**

* **Does the fund have any regulatory reporting responsibilities? Yes/ No Yes.**
* **If yes, is mainly the compliance officer’s job to ensure responsibilities are met? Yes/ No Yes.**

**Brokerage/Soft Dollar arrangements:**

1. **What Brokers do you Utilize? UBS, JP Morgan, RJO, ADM, Newedge, Credit Suisse, Rand.**
2. **Do you Monitor Commissions by Broker? Infrequently. Customers generally negotiate their own rates (or have already negotiated them prior to engaging with us).**

* **Yes/ No Yes, we review them periodically.**
* **How does the fund monitor commissions? We compare rates with others.**

1. **What is your Policy for Determining “Best Execution”? Periodic examination of time-stamped trades and corresponding statistical analysis of fill quality vs. multiple benchmarks on a market-by-market basis.**

**4. Do you Utilize Soft Dollar Arrangements? Yes/No No.**

**5. What is the Soft Dollar Commission Rate vs Standard Rate? N/A.**

1. **Do you use ECNs? What Commission Rate do you Pay? N/A.**
2. **Who Monitors Usage of Soft Dollars? N/A.**
3. **Who Processes Soft Dollar Invoices? N/A.**

* **Name and level of person responsible for processing soft dollar invoices? N/A.**
* **Is the process for payment any different than that of a regular invoice? Yes/ No – If yes, explain N/A.**

1. **28(e) Compliant:**

* **Is the fund 28(e) compliant? Yes/ No N/A.**
* **Are soft dollars used for anything such as travel or rent? Yes/ No N/A.**

1. **Has any Regulatory Authority ever Commented on your Soft Dollar Usage? N/A.**

* **Yes/ No N/A.**
* **If yes, what was the comment made? N/A.**

1. **What do your Fund Documents Disclose as to your Soft Dollar Policy? N/A.**

* **Is the fund’s soft dollar policy noted in the fund documents? Yes/ No N/A.**
* **What in particular is disclosed? N/A.**

**AML:**

* **Are the procedures documented? Yes/ No No, currently AML procedures are not required by CFTC/NFA for CTAs/CPOs.**
* **Who monitors? N/A.**
* **Are your sub docs updated to obtain the appropriate data? Yes/ No N/A.**
* **Do you “know” your investors? Yes/ No Yes.**
* **How does the fund ensure that it “knows” the investors? Compliance with NFA rule 2-30 and its associated interpretive notices.**
* **Does your administrator perform procedures? Yes/ No – If yes, what do they do? N/A.**

**Employee Trading:**

1. **Are Employees Allowed to Trade? Yes/ No No.**
2. **Personal Trading Allowed with Orders? Yes/No No.**
3. **Is the Policy Formally Documented? Yes/ No No.**
4. **Do you Maintain a Restricted List? Yes/ No N/A.**

* **How often is the list updated? N/A.**
* **Does the list only consist of securities that the fund invests in? Yes/ No N/A.**

1. **Is Pre-approval Required? Yes/ No N/A.**
2. **Who Pre-approves Trades? N/A.**
3. **Is there a Holding Period for Purchases? Yes/ No N/A.**

* **If yes, for how long must securities be held? Week/ Month/ Longer**

1. **Do you Obtain Confirmations and Broker Statements?Yes/ No N/A.**
2. **Are these Statements Retained? Yes/ No N/A.**
3. **Has a Regulatory Authority ever Commented on your Employee Trading Practices? Yes/ No N/A.**

* **If yes, what were the comments made?**

1. **List of Prohibited Transactions for Both Manager and Employees? Yes/No N/A.**

* **Do the manager and employee have to sign off on understanding of prohibited transactions? Yes/ No**

**Filings:**

* 1. **Who is Responsible for Blue Sky Filings? N/A.**
* **Enter name of person responsible (compliance officer/ law firm)**
* **What is the name of the law firm used by the fund?**
  1. **Who is Responsible for 13(d), (f) and (g) Filings? N/A.**
* **Key in name of responsible party**
* **Is the fund responsible for filing 13(d), (f) and (g)? Yes/ No**
  1. **Proxy Voting – N/A.**
     + **Does the fund participate in proxy voting? Yes/ No**
     + **Who is responsible for voting? Name and level.**
     + **Do you vote all proxies in the best interest of your investors? Yes/ No**

**Custody:**

* + - 1. **Where are Client Assets Custodied? Customer choice for managed accounts. For Alpha Fund, RJO and ADM are used.**
      2. **If you Maintain Custody, Describe Policies and Procedures Regarding Safeguarding Client Assets: Every effort is made to minimize the amount of Fund assets held at the clearing brokers so that only needed margin is held in clearing accounts. After MF Global bankruptcy, our policy is now to use at least two brokers for Fund clearing.**

**Miscellaneous:**

**Limit Monitoring:**

**1. Is there Limit Monitoring in Place? Yes/ No Yes.**

**2. Who Performs? Automatically performed by trading systems.**

**3. Do your Systems Facilitate Monitoring? Yes/ No Yes.**

* **If no, then how are limits monitored?**

**4. What Occurs if Limits are Exceeded? We would manually intervene to reduce the position, but this would necessarily imply a software failure/error as well.**

# Employees Ever Indicted, Arrested or Convicted of a Crime? Yes/ No No.

1. **Do you Perform Background Investigations?****Yes/ No No, but NFA does background checks on all registered persons of the firm.**

* **If not, does the fund obtain references for all employees? Yes/ No Yes.**

1. **If yes, Please Provide Copies of such Reports. N/A.**

**Other Offices:**

* 1. **Does the Fund have any other Offices? Yes/No Revolution Capital Management LLC has a branch office in Chicago IL. This is a branch in name only in order to comply with NFA regulations.**
  2. **Location of other Offices:**

**141 WEST JACKSON  
SUITE 3520  
CHICAGO IL 60604  
UNITED STATES**

* 1. **Capacity of Personnel Working in other Offices:**
     + **List the roles and capacity of personnel located in the other offices. Jim Curley, Associated Person, marketing and business development.**
  2. **Systems Utilized by other Offices:**
* **Does the satellite office utilize the same system as the home office? Yes/ No No.**
* **What other systems are being used that are not in the home office? None/ or name the systems None.**
  1. **Control Environment:**
* **Is the control environment the same in the home office as in the satellite? Yes/ no No, because no operational tasks are done at branch.**
* **Have the reporting lines changed due to the multiple locations? Yes/No No.**
  1. **Supervision:**
* **How does the HQ Maintain Supervision of the Satellite Office? Periodic visits, observation of branch activity by overseeing emails, calls, etc.**

**Client Complaints:**

**1. Have there been any Client Complaints? Yes/ No No.**

**2. Do you Maintain a “Client Complaints” Folder? Yes/ No Yes.**

**3. What is the Nature of the Complaints? N/A.**

**Litigation:**

**1. Has the Fund been Subject to any Litigation? Yes/ No No.**

* **If yes, what is the nature of the litigation? N/A.**

**Insurance:**

**1. Does the Fund have any of the Following Types of Insurance?**

* **E&O insurance – Yes/No No.**
* **Fidelity Bond – Yes/ No Yes.**
* **ERISA insurance – Yes/ No Yes.**
* **General insurance – Yes/ No Yes.**
* **Other – Yes/No All members and employees of the LLC have health insurance, and the LLC has disability insurance for employees.**
* **If the answer is yes to any of the above, how much insurance did the fund purchase? None, as these insurance types are for the LLC.**