

Broyhill Asset Management, LLC

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May 23, 2024

FORM ADV PART 2A

This brochure provides information about the qualification and business practices of Broyhill Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 828-610-5535 or by email at ir@broyhillasset.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser with the SEC, or any state securities authority, does not imply a certain level of skill or training.

Additional information about Broyhill Asset Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Change

Broyhill Asset Management, LLC will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Since our last annual updating amendment, dated March 28, 2024, we have the following material changes to report:

- **Item 5 Fees and Compensation:** updated to include a description of an arrangement whereby Broyhill Asset Management, LLC receives research credits and cash compensation from a third-party asset manager in exchange for the use of portfolio information of Broyhill Partners, LP, which is provided on a one-day lag. Additionally, included language to reflect that additional assets received into or withdrawn from the Account by the Client, exceeding \$100,000, shall be charged a pro rata fee based upon the number of days remaining in the quarter. Such fee adjustments will be included in the following quarter's fee charge.
- **Item 6 Performance-Based Fees:** updated to reflect that Broyhill Asset Management, LLC no longer collects performance-based fees from clients outside of their private funds.

Item 3 Table of Contents

Item 1 Cover Page	Page 1
Item 2 Material Change	Page 2
Item 3 Table of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 5
Item 6 Performance-Based Fees and Side-By-Side Management	Page 7
Item 7 Types of Clients	Page 8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 9
Item 9 Disciplinary Information	Page 13
Item 10 Other Financial Industry Activities and Affiliations	Page 13
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 13
Item 12 Brokerage Practices	Page 14
Item 13 Review of Accounts	Page 15
Item 14 Client Referrals and Other Compensation	Page 15
Item 15 Custody	Page 15
Item 16 Investment Discretion	Page 16
Item 17 Voting Client Securities	Page 16
Item 18 Financial Information	Page 19
Item 19 Requirements for State-Registered Advisers	Page 19

Item 4 Advisory Business

Broyhill Asset Management, LLC ("BAM") provides various investment services to individuals, trusts, foundations and other institutions on a discretionary basis. BAM manages \$191,671,633 of assets, comprised of \$191,159,248 of discretionary assets and \$512,385 of non-discretionary assets, as of December 31, 2023. BAM does not participate in any wrap programs.

BAM was founded in June 1998 as Broyhill Wakin Capital Advisers, LLC and changed its name to Broyhill Asset Management, LLC on July 1, 2008. The business, solely owned by M. Hunt Broyhill from 2008-2022, originated as a way for a small group of close clients to invest alongside the Broyhill Family Office. In 2022, Broyhill Asset Management began transitioning to a multi-family office and added Christopher R. Pavese, President & CIO, as the primary owner, alongside M. Hunt Broyhill, who retains a key beneficial ownership stake.

Investment Services

The President and Chief Investment Officer of BAM is Christopher R. Pavese, CFA. BAM offers asset management services on a discretionary and non-discretionary basis. Discretionary accounts are managed in accordance with BAM's value-oriented investment philosophy, which includes investing in securities of issuers identified by BAM through fundamental analysis in addition to investments in external managers through mutual funds, exchange traded funds, or other vehicles. However, BAM may offer any advisory service, engage in any investment strategy and make any investment, including any not described in this Brochure, that BAM considers appropriate, subject to each client's agreement with BAM or other agreed-upon restrictions. When you enter into non-discretionary arrangements with our firm, either you will be responsible for the execution of the recommended advice or we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Subadviser Services

BAM may also act as a subadviser to advisers unaffiliated with BAM. These third-party advisers would outsource portfolio management services to BAM. This relationship will be memorialized in each contract between BAM and the third-party advisor.

Private Funds - BAM Credit Opportunities Fund and Broyhill Partners Fund

BAM serves as the Sponsor of the BAM Credit Opportunities Fund, while its affiliate through common ownership and control, Broyhill Partners GP, LLC, is the general partner of the Broyhill Partners Fund (each a "Fund," and collectively, the "Funds"). As Sponsor and general partner, respectively, BAM and Broyhill Partners GP, LLC will have exclusive control over day-to-day operations of the Funds. In addition, BAM will serve as the investment manager of the Funds and provide discretionary investment advisory and portfolio management services to the Funds.

Private funds are available for investment only by institutional investors and other sophisticated, high-net-worth investors, who meet the eligibility requirements of the applicable fund set forth in its Governing Documents. Each such Fund is exempt from registration as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), under Section 3(c)(7) thereof.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Item 5 Fees and Compensation

BAM offers investment advisory services to clients on a discretionary and non-discretionary basis. Fees are based on a combination of performance and/or a percentage of the assets under management. The terms and conditions of advisory fees are negotiable, and must be mutually agreed upon by the client and BAM before entering into an advisory agreement. All client accounts are managed in accordance with the agreed upon investment objectives, regardless of the fee arrangement.

We encourage our clients to verify the accuracy of the fee calculation submitted to the custodian by BAM, as the custodian will not determine whether the fee has been properly calculated. Advisory fees charged by BAM are separate and distinct from fees and expenses charged by exchange-traded, closed-end, or mutual funds, which may be recommended to clients. A description of these fees and expenses are available in each fund's prospectus. Additionally, the fees charged by BAM are exclusive of all custodial and transaction costs paid to custodians, brokers or any other third parties.

Clients should review all fees charged by BAM, custodians and brokers, and others (including but not limited to third-party sub-advisors) to fully understand the total amount of fees incurred.

Investment Advisory Fees

Unless specified otherwise, the Account(s) in a household with total AUM \geq \$1M shall be charged an annual investment advisory fee of 1% of assets based on the net value of the assets in the Account/Household on the last business day of the prior quarter ("Fee"). Accounts in a household with total AUM $<$ \$1M shall be charged an annual investment advisory fee of 1.5%. A household is defined as all managed accounts included in this IMA. This fee is negotiable at the option of BAM.

Once a household being billed at the 1.5% fee rate achieves the threshold of \$1M at an end-of-quarter value due to gains or client deposits, the fee rate will be dropped to 1% for the following quarter and subsequent quarters. The fee rate will not revert to 1.5% if the household value drops below \$1M due to valuation decreases, however the fee rate will be set to 1.5% in subsequent quarters if the household AUM drops below \$1M owing to a withdrawal at the Client's discretion.

The Fee shall be payable quarterly, in advance, upon deposit of any funds or securities in the Account. The first payment is due upon acceptance of this Agreement and shall be based upon the opening market value of the assets in the Account on that date. The first payment shall be prorated to cover the period from the date the Account is opened through the end of the next full calendar quarter. The Fee may be modified or changed by BAM upon advance written notice to the Client.

Additional assets received into or withdrawn from the Account by the Client, exceeding \$100,000, shall be charged a pro rata fee based upon the number of days remaining in the quarter. Such fee adjustments will be included in the following quarter's fee charge. If the Account does not contain sufficient funds to pay advisory fees, BAM has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. The Client may reimburse the account for advisory fees paid to BAM, except for ERISA and IRA accounts.

When you enter into non-discretionary arrangements with our firm, we typically charge a fixed fee that is negotiated on a case-by-case basis depending on the nature of the services provided.

Fee Discretion

BAM may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, family accounts, account retention and pro bono activities.

TAMP (Turnkey Asset Management Program) Platform Model Fees

BAM may also receive a share of the fees collected by TAMP platforms for providing models for assets management. The fees charged are negotiable, based on the AUM allocated to the strategy(ies) BAM provides by third-party advisors who subscribe to the platform. These fees will not exceed any limit imposed by any regulatory agency. This relationship will be memorialized in each contract between BAM and the TAMP platform.

BMC Fund, Inc.

Fees BAM also serves as advisor to BMC Fund, Inc., a closed-end, diversified investment company registered under the Investment Company Act of 1940, which serves as the primary wealth vehicle for the Broyhill Family Office. The management fees for this entity are billed quarterly in arrears based on

the fund's fiscal quarters which end January 31, April 30, July 31, and October 31. The AUM used for billing is the NAV determined quarterly by the fund administrator, with input from the fund's valuation committee for the private investments in the fund.

Private Fund - BAM Credit Opportunities Fund Fees

The Fund pays BAM 0.50% annually on Fund assets that are invested with and/or managed by external managers ("External Investments") and 1.00% annually on Fund assets managed directly by the BAM ("Direct Investments"). No fees shall be charged on undrawn Investment Commitments. The fees charged are negotiable.

Private Fund – Broyhill Partners Fund Fees

The Fund offers a declining management fee structure to partners based on the length of time the partner's capital has been invested in the fund and the share class of the limited partner. These management fees are paid monthly in advance and do not exceed any limit imposed by any regulatory agency. For specifics, please refer to the fund PPM. The fees charged are negotiable.

Third-Party Asset Manager Fees

BAM, in exchange for a fee and research credits paid to and retained by BAM, provides a third-party software platform and a third-party asset manager with certain information, including the trade files of Broyhill Partners, LP, pricing information, research with respect to current positions, and investment ideas of Broyhill Partners, LP. Such information is provided on a one-day lag. BAM does not have investment or trading discretion with respect to either the third-party software platform or the third-party asset manager. Subject to the terms of the agreements with such parties and applicable securities laws, such parties are free to trade based on the information provided to them by BAM. As a result of BAM sharing such information, there could be instances in which the third-party software platform and/or the third-party asset manager trade in a manner that is disadvantageous to the Clients.

Performance-based fees are charged to the private funds. Please see Item 6 for more information.

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

BAM provides investment management services to multiple portfolios for multiple clients. The firm manages client accounts that pay performance-based compensation and accounts that pay asset-based fees, which are non-performance-based fees. In addition, certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When BAM manages more than one client account, a potential exists for one client account to be favored over another client account. BAM has a greater incentive to favor client accounts that pay performance-based compensation or higher fees. BAM made the decision to no longer charge performance-based fees to clients outside of the private funds as of January 1, 2024.

BAM has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The firm reviews investment decisions periodically to assess whether accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also compared periodically to determine whether there are any unexplained significant discrepancies. In addition, BAM's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate generally in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the client

orders are price-averaged by custodian. Accounts are held at several different custodians, so trade order is randomly generated for each trade. These areas are monitored by the BAM's Chief Compliance Officer.

Performance Allocations for Private Funds:

For the BAM Credit Opportunities Fund, 10% of the net profits derived from Direct Investments allocated to the Interest Owners' capital accounts shall be allocated to the Sponsor ("Performance Allocation"). The Sponsor will not receive a Performance Allocation on External Investments. The fees charged are negotiable.

For the Broyhill Partners Fund, the General Partner is entitled to a performance allocation at the end of each year (the "Performance Allocation"), which is calculated and charged separately with respect to each Limited Partner's Capital Account, equal to the Performance Allocation Percentage of the amount by which the Capital Account's positive "Performance Change Amount" for the current year exceeds the Capital Account's "Loss Carryforward Amount." For specifics, please refer to the fund PPM. The fees charged are negotiable.

To qualify for an investment in a private fund and its performance-based fee arrangement, an investor to the private fund must be a qualified investor, either as an accredited investor or qualified purchaser as applicable to the corresponding private fund offering documents. For a full description of the applicable fees, including performance-based fees, and expenses charged to the respective private fund, investors should review the associated offering documents.

Furthermore, BAM has clients who do not pay incentive or performance-based fees which could create an incentive for BAM to favor accounts that do pay such fees because compensation received from performance-based fee clients is more directly tied to the performance of their accounts.

Item 7 Types of Clients

BAM generally provides investment services to individuals, trusts, foundations and other institutions on a discretionary basis. Generally, BAM requires a minimum investment of \$500,000; however, BAM has discretion to waive the account minimum and reserves the right to decline any potential client for any reason.

BAM provides investment services to two private funds. One private fund is closed to new investors. The other requires a minimum investment of \$1,000,000; however, BAM has discretion to waive the account minimum and reserves the right to decline any potential client for any reason. Both funds require investors to be qualified purchasers as defined by Section 3(c)(7) of the Investment Company Act of 1940.

BAM also provides investment services to BMC Fund, Inc., a closed-end, diversified investment company registered under the Investment Company Act of 1940. BMC Fund, Inc. is a fund that serves the Broyhill Family Office and is closed to new investors.

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

Methods of Analysis

BAM generally employs a long-term investment strategy. In evaluating investments, BAM takes into account a number of factors, including the fundamental, technical and cyclical characteristics of each investment. Investment ideas are generated through various sources and BAM acquires information about securities from numerous publicly available sources including: Proxies, Forms 10-K and 10-Q, Global Central Banks, The IMF, The World Bank, The BEA, in addition to various independent research providers and financial publications.

Investment Strategies

BAM manages portfolios in accordance with the firm's value-oriented investment philosophy. Equity accounts are focused on a limited number of securities identified through extensive fundamental research and generally held for a long period of time, regardless of short-term factors such as fluctuations in the market or volatility in the stock price. BAM may also engage in the following option strategies: buying calls and puts, selling covered calls and cash collateralized puts to hedge risk and/or complement existing investments. Balanced accounts can include individual securities as previously described, in addition to more diverse asset classes including traditional and alternative strategies. External manager allocations typically focus on specific markets, geographies or strategies. BAM's manager selection process combines both qualitative and quantitative analysis in order to gather a clear understanding of a manager's strategy, style, team and process.

The descriptions set forth in this Brochure of specific strategies and investments should not be deemed to limit BAM's investment activities. BAM may engage in any investment strategy and make any investment, including any not described in this Brochure, that BAM considers appropriate, subject to each client's agreement with BAM. Investments are speculative and may entail substantial risks. There can be no assurance that the investment objectives of any client will be achieved, and clients should be prepared to bear a substantial loss on their investment.

Material Risks

Some amount of risk is inherent in any and/or all investment decisions. Some investment decisions may result in profits and some investment decisions may result in losses. Furthermore, there is no guarantee that our investment objectives will be achieved; past performance is not a guarantee of future results. Material risks associated with our investment strategy include:

- *Equity Market Risks* – Overall stock market risks may affect the value of the investments in equity strategies. Factors such as U.S. economic growth and market conditions, interest rates, and political events affect the equity markets.
- *Management Risks* - Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole or our intrinsic value approach may fail to produce the intended results. Our estimate of intrinsic value may be wrong or even if our estimate of intrinsic value is correct, it may take a long period of time before the price and intrinsic value converge.

- *Small and Mid-Cap Company Risks* – Investments in small and mid-cap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, small and mid-cap companies may be more vulnerable to economic, market and industry changes. Because smaller companies may have limited product lines, markets or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger capitalization companies.
- *International Market Risks* – International market risks include, but are not limited to, currency, political risk, trading and settlement risks. Emerging markets, commodities and currencies have experienced periods of extreme volatility historically.
- *Fixed Income Market Risks* – Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed income securities generally declines. On the other hand, if rates fall, the value of the fixed income securities generally increases.
- *Credit Risks* – There is a risk that issuers and counterparties will not make payments on the securities they issue. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security which may affect liquidity and our ability to sell the security.
- *Real Estate Risks* – Real Estate Investment Trusts (REITS), although not a direct investment in real estate, are subject to the risks associated with investing in real estate. The value of these securities will rise and fall in response to many factors including economic conditions, the demand for rental property and changes in interest rates.
- *Option Trading Risks* – BAM may engage in option strategies for certain clients. Options are investments whose ultimate value is determined from the value of the underlying investment. Options allow BAM to limit or define downside risk and can help hedge unwanted exposure in a client's portfolio. Purchasing options can also provide leveraged exposure to the underlying security while minimizing the capital at risk. When purchasing options, the client may lose the option premium. Selling options may have a higher level of risk associated with it and as such, is only executed through covered calls or fully cash collateralized puts.
- *Concentration of Investments* - The Fund is not limited with respect to the amount of capital which may be committed to any one investment. Accordingly, the Fund may from time to time hold a few (or even one), relatively large (in relation to its capital) securities positions, with the result that a loss in any one position could have a more material adverse impact on the Fund's capital than would a loss position in a more diversified portfolio.
- *Illiquid Securities* - A portion of the Fund's assets will be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under Federal or state securities laws. Due to the absence of any trading market for these investments, the Fund may take longer to liquidate these positions than would be the case for publicly traded securities or may not be able to liquidate them at all. Although these securities may be resold in privately negotiated transactions, the prices realized on these

sales could be less than those originally paid by the Fund. Further, companies whose securities are not publicly traded may not be subject to public disclosure and other Interest Owner protection requirements applicable to publicly-traded securities.

- *Hedging Transactions* - The Sponsor is not required to attempt to hedge portfolio positions in the Fund and, for various reasons, may determine not to do so. Furthermore, the Sponsor may not anticipate a particular risk so as to hedge against it. The Fund may utilize financial instruments, both for investment purposes and for risk management purposes in order to seek to: (i) protect against possible changes in the market value of the Fund's investment portfolios resulting from fluctuations in the securities markets and changes in interest rates, (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolios, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolios, (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets, (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later day or (vii) for any other reason that the Sponsor deems appropriate.

The success of any hedging strategy that the Fund may employ will be subject to the Sponsor's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the Sponsor's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. For a variety of reasons, the Sponsor 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 its intended hedge or expose the Fund to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

- *Credit Markets and Liquidity* - Distress in the financial markets can be expected to also result in diminished liquidity and credit availability. There can be no assurance that companies whose debt securities are purchased by the Fund will not be adversely affected by enduring changes in the financial markets that could make it more difficult for such companies to access debt capital necessary to finance and grow their operations and to sell assets in the ordinary course of business. To the extent such companies cannot access the credit they need, the Fund's performance may be adversely affected.
- *Prepayment and Early Payment* - The rate and timing of distributions allocable to principal on debt securities depend, in general, on the rate and timing of principal payments, including prepayments and collections upon defaults, liquidations and repurchases. Debt securities are subject to substantial inherent cash-flow uncertainties because the loans may be prepaid at any time.
- *Risks of Defaults and Delinquencies* - Debt securities are based on certain underwriting guidelines, which are intended to evaluate the borrower's credit standing, repayment ability, and the value adequacy of the assets used as collateral for the debt. The Fund expects that some debt instruments it purchases will not be based on underwriting guidelines that would make such

loans acceptable to traditional financial institutions or other investors. Furthermore, in some cases, the Fund's underwriting guidelines may not prohibit a borrower from obtaining secondary financing. The addition of secondary financing would reduce the borrower's equity in the assets. Interest Owners should be aware that all debt securities purchased by the Fund are subject to the flaws in the underwriting guidelines or errors or omissions in analyzing the data provided by a borrower in connection with the placement of a loan. Also, many of these debt securities will be made by companies in a stressed or distressed financial position. Furthermore, as a result of such underwriting guidelines or the uncertain financial condition of the companies issuing such debt securities, the debt securities may experience rates of delinquency, foreclosure, and bankruptcy that are higher, and that may be substantially higher, than other loans subject to more rigorous underwriting guidelines. In addition, changes in the values of assets pledged as collateral may have a greater effect on the delinquency, foreclosure, bankruptcy, and loss experience of the loans.

Private Fund Risk

- **Reliance on the Sponsor.** The success of the Fund depends on the ability of the Sponsor to develop and implement investment strategies to achieve the Fund's investment objectives. The Fund's investment performance could be materially adversely affected if the Sponsor ceases to be involved in the active management of the Fund's portfolio. The Sponsor has wide latitude in making investment decisions and Interest Owners have no right or power to take part in such decisions.
- **Operating Deficits.** The expenses of operating the Fund could exceed its income. This would require that the difference be paid out of the Fund's capital, reducing the Fund's investments and potential for profitability.
- **Limited Operating History.** The Fund has no operating and investing history upon which Prospective Investors may evaluate past performance. The past investment performance of the Sponsor and its principal(s) and affiliates is not indicative of the future investment results of the Fund. There can be no assurance that the Fund will achieve its investment objectives.
- **Competition.** There will be competition for investment opportunities by investment vehicles and others with investment objectives and strategies similar to those of the Fund. There can be no assurance that the Sponsor will be able to locate and complete investments which satisfy the Fund's objective or that the Fund will be able to fully invest its available capital.
- **Credit Line.** The Fund intends to have a line of credit available for administrative purposes and for use as short term bridge financing to momentarily fund an investment if the Fund does not immediately have the necessary capital to deploy. While the Fund does not expect to use the line of credit on a routine basis nor does it anticipate it will engage in material margin trading, the Fund reserves the right to do so. The Fund may have to pledge some of its investments to secure the line of credit. To the extent that the line of credit cannot be repaid, those pledged investments could be foreclosed upon.

For a complete compilation of all the general and investment related risk associated with the private fund, please refer to the private fund documents and the Private Offering Memorandum.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of the firm's management in this item. Broyhill Asset Management, LLC has no legal or disciplinary events to report.

Item 10 Other Financial Industry Activities and Affiliations

Mr. Broyhill is employed by the BMC Fund, Inc. ("BMC"), a closed-end, diversified investment company registered under the Investment Company Act of 1940. Mr. Broyhill serves as Chairman of the Board and President of BMC.

BAM always acts in the best interest of the client; including the sale of pooled investment products to advisory clients. Clients are in no way required to purchase any product or service through any representative of BAM in their outside activities.

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

BAM has adopted a Code of Ethics consistent with Rule 204A-1 of the Advisers Act. BAM's Code of Ethics provides for a high ethical standard of conduct for all professionals, compliance with federal securities laws, and policies and procedures for the reporting of certain personal securities transactions on a quarterly basis and initial and annual security holdings by BAM's professionals. Among other things, BAM's Code of Ethics also requires the prior approval of any IPO and private placement investment, supervisory reviews, enforcement and recordkeeping. A copy of BAM's Code of Ethics is available to BAM's advisory clients upon written request to the Compliance Officer at BAM's principal office address.

BAM and its employees may buy and sell the same or different securities than may be recommended to clients. If the possibility of a conflict of interest occurs, the client's interest will prevail. It is BAM's policy that priority will always be given to the client's orders over the orders of an employee of BAM.

BAM has established the following additional restrictions in order to address these conflicts of interest and to ensure its fiduciary responsibilities:

- A member, officer or employee of BAM shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with BAM or any of its affiliates, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory client.
- BAM maintains records of all securities holdings for itself and anyone associated with BAM's advisory services. Personal securities transactions and holdings are reviewed by the Chief Compliance Officer to ensure compliance with BAM's policies.

BAM requires all individuals to act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

In accordance with Section 204A of the Investment Advisers Act of 1940, BAM also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by any person associated with BAM.

Item 12 Brokerage Practices

When a client agrees to discretionary management, BAM will be responsible for selecting the securities and the amount of securities to be bought and sold. The only limitations on the investment authority will be those limitations imposed in writing by the client. In the course of providing services, BAM will execute trades through broker-dealers without restriction on the brokers we select to execute transactions. Our general guiding principle is to trade through broker dealers which offer the best overall execution under the particular circumstances.

With respect to execution, we consider a number of factors, including if the broker has custody of client assets, commission rates, the actual handling of the order, the ability to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability to position stock to facilitate execution, past experience with similar trades, and other factors which may be unique to a particular order. Based on these factors, we may trade through broker-dealers that charge fees that are higher than the lowest available fees. In addition, broker-dealer fees may vary and be greater than those typical for similar investments if we determine that the research, execution and other services rendered by a particular broker merit greater than typical fees. In certain instances we may execute over the counter securities transactions on an agency basis, which may result in additional costs.

Orders for the same security entered on behalf of more than one client may be aggregated (bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and if applicable, pay a pro-rata portion of commissions. BAM or its employee or access persons may participate in aggregated orders under the same conditions as set forth above. Transactions are usually aggregated to seek a lower commission, lower costs, or a more advantageous net price.

A client may direct BAM in writing to use a particular broker/dealer to execute all transactions for the client's account. When a client selects the broker to be used for his account, the commission rates are decided upon between the client and his broker. In addition, BAM does not have any responsibility for obtaining for the client from any such broker the best prices or particular commission rates as low as it might otherwise obtain if BAM had discretion to select broker-dealers.

Clients that restrict BAM to using a particular broker/dealer (or direct us to use a particular broker/dealer) for executing their transactions generally will be unable to participate in aggregated orders and will be precluded from receiving the benefits, if any; of an aggregation which other clients may receive. BAM will generally execute aggregated orders for non-directed clients before executing orders for clients that direct brokerage. BAM is not obligated to acquire for any account any security that we or our officers, partners, members or employees may acquire for their own accounts or for the account of any other client, if in BAM's absolute discretion it is not practical or desirable to acquire a position in such security.

BAM does not have any formal or informal soft-dollar arrangements nor do we utilize client commissions to purchase research or other soft-dollar benefits at this time.

Item 13 Review of Accounts

Client accounts are monitored on an ongoing basis for consistency with client objectives and restrictions. In these reviews, every position in each client account is compared to the weights in our investment strategy model. All client accounts are reviewed to ensure an appropriate allocation based upon BAM's assessment of market conditions and individual circumstances. General conditions in the capital markets are continuously monitored. Factors triggering reviews may also include a change in general capital market conditions, changes in management of funds or stocks owned by clients, and exceptional short-term volatility in broad capital markets or individual securities. All accounts are reviewed by BAM's Chief Investment Officer.

BAM also issues quarterly reports to its investment advisory clients which contain a list of assets, recent transactions, investment results, and statistical data related to each client's account. Clients are encouraged to carefully review these reports and compare the statements that they receive from their custodian to the reports that BAM provides. The information in BAM's reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 14 Client Referrals and Other Compensation

BAM does not directly or indirectly compensate non-advisory personnel for client referrals.

Item 15 Custody

Broyhill Asset Management, LLC does not provide custodial services to its separately managed account clients. Separately managed account client assets are held with banks or registered broker-dealers that are "qualified custodians." Clients will receive statements directly from the qualified custodians at least quarterly. Broyhill Asset Management, LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Custody is also disclosed in Form ADV because Broyhill Asset Management, LLC has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, Broyhill Asset Management, LLC will follow the safeguards specified by the SEC rather than undergo an annual audit.

Broyhill Asset Management, LLC is deemed to have custody of its private fund clients for purposes of Rule 206(4)-2 under the Advisers Act ("Custody Rule") because it: 1) serves as the sponsor to the BAM Credit Opportunities Fund; 2) is affiliated with the general partner of Broyhill Partners Fund through common ownership and control; and 3) has the authority to deduct advisory fees from the private fund or otherwise withdraw funds from the private funds' accounts. However, Broyhill Asset Management, LLC will not maintain physical possession over any securities of the private funds.

Private fund assets are held by a qualified custodian in accordance with the Custody Rule. The Adviser will satisfy certain obligations of the Custody Rule by complying with the "Pooled Vehicle Annual Audit Exception." Among other things, the Pooled Vehicle Annual Audit Exception requires that the Fund's financial statements be subject to an audit at least annually by an independent public accountant

that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the private fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

In instances where the private fund acquires a security in a private placement, Broyhill Asset Management, LLC will maintain physical possession of, and safeguard the privately offered securities for the private fund in accordance with the Custody Rule's privately offered securities exception to the qualified custodian requirement. The privately offered security will be recorded on the books of the issuer or transfer agent in the name of the relevant private fund, and it will be transferable only with the prior consent of the issuer or holders of the outstanding securities of the issuer. If the privately offered security is certificated, the private stock certificate will contain a legend disclosing such restriction on transfer.

Item 16 Investment Discretion

Broyhill Asset Management, LLC accepts discretionary authority to manage the assets in the client's account. We observe investment limitations and restrictions that are outlined in each account's investment management agreement.

Item 17 Voting Client Securities

The Company will typically not ask for, nor accept voting authority for client securities held in separately managed accounts. For instances where the Company has voting authority, the Company's primary consideration in voting is the financial interest of its clients. In the ordinary course, the interests of a client may conflict with the interests of Broyhill, other client accounts and/or Broyhill's affiliates. Any conflicts of interest relating to voting, regardless of whether actual or perceived, will be addressed in accordance with these policies and procedures. Broyhill does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

The Company may vote or give consent on matters related to investments held by its client accounts. However, Broyhill reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent, if in the judgment of Broyhill's CCO, the costs associated with voting outweigh the benefits to the relevant client or if the circumstances make an abstention advisable and in the best interests of the relevant client.

BAM engages the services of Broadridge's ProxyEdge voting to collate proxy materials and votes across custodians. ProxyEdge employs a rules-based voting system, set up at BAM's direction, using the guidelines below. The CCO shall be responsible for ensuring that each Vote is voted in a timely manner and as otherwise required by the terms of such Vote. For clients where Broyhill does not accept voting authority for client securities, all proxy materials received on behalf of such client accounts are to be sent directly to the applicable client or to a designated representative of the client, who is responsible for voting the proxy. Such clients should direct proxy questions to the issuer of the security.

In connection with voting, Broyhill's personnel may meet with members of a company's management and discuss matters of importance to the clients. Broyhill believes that the recommendation of management should be considered; however, Broyhill will evaluate each issue based on its own merits and will not support a management position that is not in the best interest of Broyhill's clients. In

general, Broyhill will determine how to vote proxies based on reasonable judgment of the vote most likely to produce favorable financial results for its clients. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders. Proxy votes generally will be cast against proposals having the opposite effect. Broyhill may also take into account non-financial considerations, including those described in the Global Sullivan Principles of Corporate Social Responsibility, but such factors are secondary to financial considerations.

General Guidelines

Matters Affecting Shareholder Rights. If a issuer submits to its shareholders a matter that, in the view of Broyhill, adversely affects the rights of the issuer's shareholders as a whole, Broyhill will cause the proxy to be voted against the proposal. If the client's ownership of the portfolio securities represents more than five percent of the issuer's outstanding voting securities, Broyhill will notify the issuer's management of the client's opposition to the proposal and encourage the issuer to withdraw the proposal.

Consideration of Views of Management of issuer. Except as otherwise provided in these Policies, in considering how to vote a proxy relating to an issuer, Broyhill will generally defer to the views of management of the issuer if the issuer's security has performed in accordance with the client's expectations (taking into account not only the performance of the issuer but also industry and economic factors over which the issuer has no control).

Conflicts with Affiliated Persons. If a matter submitted to a vote of the shareholders of an issuer presents a conflict between the interests of the client and the interests of any affiliated person or Broyhill, Broyhill will cause the proxy relating to the portfolio security to be voted in accordance with the best interests of the client as a whole, without consideration of the interests of the affiliated person or investment adviser. If the affiliated person of the client whose interests conflict with the interests of the client is a member of the portfolio management team, such person will recuse himself or herself from consideration of the matter.

Specific Guidelines

Broyhill, on behalf of its client accounts where Broyhill has proxy voting authority, will cause a proxy to be voted against or be withheld, for the following issues when submitted to a shareholder vote:

Classified Boards. Broyhill believes that it is in the best interests of its client accounts for portfolio companies to be able to elect a full slate of directors at each annual meeting.

Dual Class Capitalization. Broyhill believes that it is in the best interests of its client accounts for portfolio companies to oppose capital structures that diminish the rights of the client's voting shares.

Golden Parachutes. Broyhill believes that it is in the best interests of its client accounts to oppose proposals that would grant excessive awards to employees in the event of termination of employment following a change in control.

Blank Check Preferred Stock. Broyhill believes that it is in the best interests of its client accounts to oppose blank check preferred stock proposals, because this type of preferred stock gives the company's board of directors discretionary authority over voting, conversion, dividend and other

rights at the time the stock is issued and is susceptible to abuse. Broyhill may vote in favor of this provision if the company's board provides assurances that this provision would not be used without advance shareholder approval in a change in control situation or that the voting rights of a series of preferred stock are limited to one vote per share.

Re-pricing of Outstanding Options. Broyhill believes that it is in the best interests of its client accounts to oppose excessive re-pricing of outstanding options for officers and directors, because doing so usually would be inconsistent with the incentive nature of the stock option plan as originally adopted and could result in unfair dilution of the client's investment in the company.

Supermajority Voting. Broyhill will vote against supermajority voting provisions because it believes that a simple majority provides shareholders with a better means to effect change.

Broyhill, on behalf of its client accounts, will vote for the following issues when submitted to a shareholder vote:

Adoption or Extension of Shareholder Rights Plans. Broyhill will vote for shareholder rights plans if shareholders are given the opportunity to vote on the plan and the plan is subject to a limited term and is tied to an overall corporate strategy.

Stock-based Compensation Plans. Broyhill will vote for stock-based compensation plans because it believes in providing appropriate equity incentives to corporate employees for increasing shareholder value. Broyhill will analyze each plan approval or plan amendment to be sure that the stock-related compensation plan aligns the interests of corporate management with those of the shareholders.

Increases in Authorized Common Stock. Broyhill will vote for increases in authorized common stock as long as the increase is reasonable under the circumstances.

Confidential Voting. Broyhill will vote for confidential voting proposals because it believes that shareholders should have the right to vote in private, thus enabling them to maintain their independence and, in the case of employee shareholders, to vote without fear of retribution.

The Company will generally not vote proxies in instances where: 1) the Company has determined that refraining is in the best interest of the client, such as when the cost to the client of voting the proxy is greater than the expected benefit of voting (e.g. voting a foreign security that is required to be made in person) or 2) proxies are received for equity securities where, at the time of receipt, the client no longer holds that position.

Conflicts of Interest

Conflicts of interest between the Company or a principal of the Company and the Company's clients with respect to a proxy issue conceivably may arise, for example, from personal or professional relationships with an issuer or with the directors, candidates for director, or senior executives of an issuer. Potential conflicts of interest between the Company and its clients may arise when the Company's relationships with an issuer or with a related third party actually conflict, or appear to conflict, with the best interests of the Company's clients.

Broyhill's CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a conflicts of interest review by the CCO in accordance with these policies and procedures, which will include consideration of whether Broyhill or any investment professional or other person recommending how to vote has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Broyhill investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above. If at any time any investment professional becomes aware of any potential or actual conflict of interest or perceived conflict of interest regarding any particular Voting decision, he or she should contact the CCO. If any investment professional is pressured or lobbied either from within or outside of Broyhill with respect to any particular Voting decision, he or she should contact the CCO. The CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the clients.

Item 18 Financial Information

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. Broyhill Asset Management, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding. Broyhill Asset Management LLC does not charge \$1,200 six months or more in advance of providing services to clients.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.