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This brochure provides information about the qualifications and business practices of Capital Fund Management SA. If you have any questions about the contents of this brochure, please contact us at cfm@cfm.fr. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Capital Fund Management SA also is available on the SEC’s website at www.adviserinfo.sec.gov.

Please note that the registration of Capital Fund Management SA with the SEC does not imply or guarantee a certain level of skill or training.

Material Changes

Since this is the first time we are filing our brochure in this new required format, this question does not apply to us at this time. We will include a discussion of any material changes from the information in this brochure in our next annual update to be filed in 2012.

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Part 2B

Advisory Business

A. The Advisory Firm

Capital Fund Management S.A. (the “Firm”) provides discretionary investment management services to U.S. and non-U.S. clients from its offices in Paris, France. Founded in 1991, we are today registered with the U.S. SEC as an investment adviser, with the U.S. CFTC as a commodities trading adviser and are a member of the National Futures Association (“NFA”) in such capacity. In France, we are regulated by the Autorité des Marchés Financiers (“AMF”) as a portfolio management company.

We currently have three wholly owned subsidiaries: Capital Fund Management International, Inc. (“CFMI”), CFM North America, Inc (“CFM NA”) and CFM Asia KK. CFMI and CFM NA are both Delaware, U.S.A. limited liability companies. CFM Asia KK is a Japanese kabushiki kaisha (stock company). CFMI has offices in New York and contracts with us to interface with investors and potential investors in investment funds we advise and maintains certain of our IT infrastructure we maintain in the U.S.. CFMI does not provide investment advice. CFM NA is the managing member of certain funds organized as Delaware limited liability companies and which we advise. CFM NA has delegated its powers and authority under the governing agreements to various service providers, including to us to act as investment adviser. We established CFM Asia KK with an office in Tokyo, Japan during 2010 to facilitate communications with investors and potential investors in funds we advise and to interface with clients and potential clients in Japan and Asia. Like CFMI, CFM Asia KK does not provide investment advice to our clients. CFM Asia KK is registered as a Type II Financial Instruments Firm with the Japanese Financial Services Agency (“JP FSA”).

The principal owners of the firm are Jean-Philippe Bouchaud, who is also Chairman, Philippe Jordan, Marc Potters (Co-CEO) and Jacques Sauliere (Co-CEO), all of whom are also board members and investment committee members. We are a privately owned company, majority owned by the board members and other staff. The family of the late founder, Jean-Pierre Aguilar, owns a minority stake in the Firm through its holding company Alphane SA. The Firm and its subsidiaries employ approximately 110 staff in Paris, New York and Tokyo, divided between Research, Data, Front Office-IT, Operations-IT & Risk Control, IT-Infrastructure, Operations, Compliance, Administration and Investor Relations.

The clients to whom we give securities investment advice are all private investment funds. We also manage separate accounts on a discretionary basis for institutional clients that do not consist of securities portfolios, but rather can be classified as managed futures accounts.

B. Advisory Services

We offer discretionary securities investment advice solely to private funds. We use a systematic/quantitative approach to trading the financial markets. All of our strategies fall within what is often called “alternative investments” and the funds we manage are often referred to as “hedge funds”. Our investment styles include managed futures, statistical equity arbitrage and statistical volatility arbitrage.

The Firm primarily trades futures, foreign exchange, securities (equities, fixed income and exchange traded funds) and options in leading financial centers in the U.S. and internationally. Our strategies focus on trading in liquid instruments on exchanges or electronic platforms. Such instruments are generally easy to value. The investment strategies of, and other material information about, each private fund are set forth in each private fund’s offering documents provided to investors in such fund at or prior to their investment.

We have invested significant resources in developing our proprietary technology platform for trading decisions, execution, post-trade processing and risk management. We carry out all our trading electronically either through direct market access through brokers or through exchange memberships. Our systems support straight-through processing of all post-trade activity. Our own in-house IT engineers develop and maintain all core software we use to operate our business and trading.

C. Tailoring of Advisory Services

We currently offer two trading programs, Discus and Stratus. Discus is a managed futures program focusing on Directional Trading in most liquid asset classes. Discus trades futures, foreign exchange and sovereign debt. Stratus is a quantitative trading program providing exposure to our Directional Trading strategy as well as our Statistical Equity Arbitrage and Statistical Volatility Arbitrage trading strategies. Through the Stratus program, we trade futures, foreign exchange and sovereign debt as well as equities and listed options.

We generally implement our trading programs in a similar manner for all clients. For Stratus there are private feeder funds available for U.S. and non-U.S. investors. For Discus there are only private feeder funds available for non-U.S. investors. Most feeder funds of Stratus and Discus offer both US\$ and EUR share classes in order to allow investors to choose base currency. We currently only manage separate accounts according to the Discus managed futures trading

program, which uses cash and cash equivalents securities only incidentally to futures trading. We do not advise any separately managed accounts that actively trade securities portfolios.

D. Wrap fee programs

We do not participate in any wrap fee programs.

E. Assets Under Management

As of 31 December 2010, we managed in private funds that we advised, a total leveraged equity (“AUM”) of US\$2,453.9m corresponding to a total net asset value of US\$2,136.9m, the overwhelming majority of which was invested in the Stratus trading program. We managed all of this AUM on a discretionary basis. Because a large portion of the trading in our strategies involves the use of options, futures and other derivatives that may include embedded leverage, our funds may offer different classes of shares with different inherent leverage. Currently funds advised by us are generally structured to include “1x”, “1.5x” and “2x” classes of shares, where the coefficient represents the applied “leverage”. Leverage can be understood as a level of risk applied, where for instance the 2x shares generally return approximately twice that of the 1x shares and where the risk of the 2x shares is approximately double that of the 1x shares. We currently have a policy only to offer 1x and 1.5x shares to investors and the 2x share classes are closed to external investment. For purposes of reporting assets under management in Form ADV Part 1A, we have historically used the total net assets under management rather than leveraged equity which includes notional leverage.

Fees and Compensation

A. Compensation for Advisory Services

Our fees are established by the Trading Advisory Agreements we enter into with each of our clients, which, in the case of clients who are private funds, is disclosed in the offering materials of each fund. We generally receive a management fee calculated at a rate per annum of net assets under management and performance-based compensation equal to a portion of the increase in net asset value of the client’s account adjusted for carry forward profit/loss. Our fees are generally non-negotiable but in limited instances we may vary our fees depending upon a variety of factors including the size of an account or the overall relationship with the client. This brochure is only being delivered to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act.

B. Billing of Compensation for Advisory Services

The administrator for each private fund client calculates our advisory services fee and we must agree to such fees before payment. After such agreement, we may instruct a custodian holding an account of the relevant private fund client to pay us our fee. We may agree to charge different fees to different classes of the fund. The private funds pay management fees monthly in arrears. Funds managed in accordance with our Stratus program generally pay monthly 1/6th of the accrued performance-based compensation. Funds and accounts managed in accordance with our Discus program generally pay crystallised performance-based compensation on a quarterly basis. Fees may differ for separately managed accounts and all fees will be included in the trading advisory agreement or in offering documents of the private funds.

C. Other Expenses

The offering documents of each private fund that we advise set forth other expenses charged to such funds. Generally, the private funds pay all their own ongoing fees, costs and expenses including, but not limited to, the fees of a third party administrator, the fees of the directors, operating expenses incurred, including legal, auditing, registration, company secretarial, licensing, stock exchange listing fees, brokerage commissions, stock loans, governmental filing fees, and printing costs. Further, clients that are feeder funds into a master fund will also bear their pro rata share of any expenses of the master fund in which they invest as these are included in the change in net assets of the respective master fund. The Firm generally pays the organizational expenses of the private funds that it advises and does not expect to recover such costs, other than approved out of pocket expenses.

The prime brokers, executing brokers, any custodians and other counterparties to our clients will receive such fees, rates and commissions as may be agreed with the clients from time to time. Our policies and practices with regard to selection of brokers is discussed below under “Brokerage Practices.”

In order to optimize the quality of execution, we have spent considerable resources on developing systems and technology for executing our clients’ trades directly on markets as an exchange member or direct market participant. No brokerage commission is payable on such trades that are passed to the markets directly without the use of a broker. In such markets, we may pass through to the client the cost of market connectivity and real-time price feeds either directly or indirectly as a reimbursement of out of the pocket expenses of the Firm.

Due to regulatory, tax as well as operational reasons, it has not been possible for us to apply for exchange memberships in certain equities and single stock options markets. Nevertheless, we use similar execution algorithms and technology for our trading on markets where we are not a direct member as when trading as a member. Private fund clients that benefit from this infrastructure may bear the cost of real-time price feeds required to achieve the same execution quality as when acting as an exchange member either directly or indirectly as a reimbursement of out of the pocket expenses.

D. Advance payment of fees

We do not collect any fees in advance. We charge fees monthly, quarterly or annually in arrears.

E. Compensation for the sale of securities or other investment products

We do not receive any compensation for the sale of any securities or other investment products to clients.

Performance-Based Fees and Side-By-Side Management

Our fees generally include a performance-based fee, which may be charged monthly, quarterly or annually in arrears based on the realized and unrealized gains of the share classes of the respective funds. We may charge this performance fee at different rates to different classes of our private fund clients and managed accounts. A significant portion of our total compensation comes from performance-based fees, which may give us incentive to engage in higher risk investing to increase performance than would be the case without performance-based fees.

We advise certain private fund clients with overlapping strategies. In such instances, we may place block orders and allocate securities purchased or sold among the participating funds. Allocation of fixed income securities is made as an end-of day average price allocation between funds. All other securities trades are currently only carried out for *one* master fund. We receive similar performance-based compensation from all of our clients and therefore do not believe that differences in compensation are an incentive to allocate trades to any particular client.

Types of Clients

The firm only provides securities investment advice to private funds open only to sophisticated institutional and high net worth investors. All U.S. investors in client funds must be accredited investors as defined in SEC Regulation D and qualified purchasers, as defined in the Investment Company Act of 1940. The investors in the client funds are generally institutional investors such as pension funds, funds of funds, private funds, insurance companies, private banks and other significant financial services providers. A small share of investors in client funds are family offices, high net worth individuals or other qualified individuals. Most individual investors are our employees.

We are not currently accepting any new managed accounts and only manage separate accounts at this time that trade in futures. Any client with such managed account must be a “qualified eligible person” as defined in CFTC Rule 4.7 and agree that we may operate such account under an exemption from CFTC registration as a CPO or CTA, or at a minimum, an exemption from many of the disclosure and recordkeeping requirements applicable to retail commodity.

Methods of Analysis, Investment Strategies and Risk of Loss

A. Investment Strategies

The Firm’s investment strategies are often categorized as “alternative investment” strategies and our clients as “hedge funds”. Our strategies originate from our global and quantitative approach to financial markets and rely on in-depth statistical analysis of large scale sets of financial data for asset allocation, trading decisions and order execution. We implement our investment strategies through automated trading programs operated on our own IT infra-structure, which includes data feeds, engines for decision making and risk control, order management, connectivity to markets as well as post-trade processing facilities and accounting. Our trading style can be characterized as “black box”, “algorithmic” or “quant” trading. Data inputs used in developing our strategies are mainly prices and public corporate information.

The overall investment strategies, risk management, implementation of new models and risk allocation decisions are made by our Investment Committee, comprised of our four board members, the head of each of our trading strategies, the head of execution and the responsible for independent risk monitoring (9 persons overall).

We employ a team of Ph.D.’s - former physicists from prestigious institutions - and IT and data specialists to conduct research in the statistical properties of financial instruments and to develop systematic trading strategies for use with our clients. The Research team’s mandate for continuous development of investment strategies helps the Firm capture new sources of value and adapt its trading strategies to the evolving markets.

We currently offer two trading programs, Discus and Stratus, to clients. Discus is mainly a managed futures program focusing on directional trading in the most liquid asset classes, but includes a component of active trading of fixed

income securities and U.S. government bonds when implemented for our fund clients. Stratus is a quantitative trading program providing exposure to our Directional Trading, Statistical Equity Arbitrage and Statistical Volatility Arbitrage strategies. Each trading strategy is based on a large number of individual trading models which focus on a specific type of trading opportunity. By combining a large number of such models, ideally un-correlated to each other, the Firm aims to achieve an attractive risk-reward relationship for the investment programs available to clients.

Our investment program are designed to be un-correlated to traditional asset classes in most market conditions. There is no assurance that these investment programs will provide an acceptable return to investors or the degree of correlation that any portfolio will actually experience. Investing in securities and other financial instruments such as those in our trading programs involves risk of loss that clients should be prepared to bear.

B. Risk Factors

Our trading strategies involve high-frequency, algorithmic trading, use of derivatives and heavy reliance on our IT systems. As with any investment program, clients and prospects should understand the risks involved with the underlying trading strategy. Each investor and potential investor in a private fund client will have received offering documents describing the features of that private fund and the risk factors applicable to the trading strategy. Prospective investors should carefully consider the following risks as well as other risks described in the offering documents for our private fund clients. Investors should carefully consider whether an investment in the Firm's investment programs is suitable for them in light of their sophistication, needs, risk appetite and financial condition.

Reliance on Technical Trading Systems. We base our trading decisions chiefly on statistical modeling and technical analysis. The calculations which underlie our trading systems, methods and strategies involve the extensive use of computers and related information technology and purchase and sale orders are placed in accordance with computer generated trading signals. The use of computers in processing information or in developing and operating a trading strategy does not assure the success of the strategy as computers merely perform a mechanical aid in processing trade information.

Use of Leverage. We may use leverage as part of our investment strategy. This may result in investment portfolios with market exposures that are significantly higher than the corresponding managed net assets. The use of leverage increases a client's returns if it earns a greater return on investments purchased with borrowed funds than the client's cost of borrowing. However, the use of leverage exposes the client to additional risks, including (i) greater losses from investments than would otherwise have been the case had the client not borrowed to make investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions, and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the client's cost of borrowing. In the event of a sudden, precipitous drop in the value of the client's assets, a client might not be able to liquidate assets quickly enough to repay borrowings, further magnifying losses.

Short Sales. We may sell securities short as a speculative position or as a part of a hedging strategy. Short sales are transactions in which the client sells a security, which it does not own (by borrowing such security) in anticipation of a decline in the market value of the security. Although the price at which a security short is limited to the price, losses from short sales may be unlimited if the price of the security sold short continues to appreciate. Additionally, even though the client takes measures to secure a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the client to purchase the security at the then prevailing market price which may be higher than the price at which such security was originally sold short by the client. Further, the cost to borrow stock may vary greatly from time to time depending on supply and demand in the market place. There are additional regulatory requirements in respect of short sales that need to be respected. Several jurisdictions are implementing regulations which require short sellers to disclose short positions publicly or which limit the possibility to sell short.

Trading Costs. Our trading strategies generally entail a high rate of trading activity resulting in correspondingly high brokerage costs, exchange fees, regulatory fees, clearing costs or other trading related costs being incurred. This frequent trading also causes a taxable event in the U.S. to occur each time a security is purchase and sold. These increased expenses and potential taxes could lower the overall investment performance of the fund.

Income. We generally only advise private fund clients that are structured to accumulate and reinvest profits, losses and income. An investment in such vehicles is not suitable for an investor seeking current income and distribution rather than longer term appreciation.

Counterparty Risks. Our investment strategies involve incurring exposure to the counterparty risk of issuers, exchanges, clearing houses, brokers, prime brokers, banks, futures clearers and other counterparties. The default of any counterparty on an obligation to one of our clients could lead to material losses to such client.

Limited Ability to Redeem. Investors in the private funds advised by the Firm usually may withdraw assets monthly on two months notice. However, the directors of the private funds may have authority to suspend redemptions in certain

circumstances and may also withhold consent to the transfer of shares. Investors should be prepared to hold their fund interests indefinitely.

Risks Associated with Performance-based Compensation. A substantial part of our compensation is comprised of a performance-based fee. This may create an incentive for us to make more speculative investments than it would otherwise make in the absence of such performance-based compensation.

Please carefully review the risks applicable to the specific strategy that we will use to provide investment advice contained in the offering documents for the relevant fund.

C. Risks of Securities Recommended

Prospective investors should carefully consider the following trading-instrument-related risks as well as other risks described in the 'Risk Factors' section of each private fund's offering documents. Investors should carefully consider whether an investment in a portfolio including such financial instruments is suitable for them in light of their sophistication, needs, risk appetite and financial condition.

Derivative Contracts. The Firm may recommend its clients to trade in derivative contracts such as futures, options, contracts for differences and forward contracts. Derivative contracts may involve additional risks such as sensitivity to additional risk factors, documentation risk, liquidity, short-exposures, embedded leverage, margin calls, position limits and counterparty risks.

Disciplinary Information

A. Criminal or Civil Actions

None.

B. Regulatory Actions

None.

C. Self-Regulatory Proceedings

None.

Item 10, Other Financial Industry Activities and Affiliations

A. Broker-Dealer Activity

None.

B. Futures Activity

We trade futures, security futures, options (on broad based indices as well as commodities) and spot foreign exchange for our clients. The Firm is registered with the CFTC as a commodity trading advisor, although it operates all of its accounts pursuant to the exemption from certain disclosure and recordkeeping requirements of CFTC Rule 4.7 applicable to accounts of "qualified eligible persons". We have filed notice of exemption from registration as a commodity pool operator for each private fund we managed based outside of the U.S. that accepts U.S. investors in reliance on CFTC Rule 4.13(a)(4). CFM NA has also filed notices of exemption from registration as a commodity pool operator for certain private funds. We are a member of the National Futures Association and Marc Potters, co-CEO and a member of our board of directors, is registered with the CFTC as an associated person.

C. Affiliations

Jacques Sauliere, Co-CEO of the Firm, also acts as a director of certain of the private funds advised by the Firm. Similarly, Jacques Sauliere acts as a director of CFM NA, the managing member and the general partner of certain private funds advised by the Firm.

The Firm is registered as a Commodity Trading Advisor with the CFTC and it has claimed an exemption under Rule 4.7 to certain disclosure and record-keeping requirements. We have also filed a notice of exemption with respect to commodity pools we operate pursuant to Rule 4.13(a)(4). CFM NA is the commodity pool operator for certain private funds which we advise and has filed a notice of exemption from CPO registration in reliance on Section 4.13(a)(4).

As explained above, CFM NA acts as a managing member and/or general partner of certain private funds we advise.

D. Selection of Investment Advisers

Not applicable.

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

A. Code of Ethics

The Firm has adopted a Code of Ethics governing personal securities trading by employees for their own benefit and for their related persons. Employees are permitted to maintain personal securities accounts provided that such accounts are disclosed us and any personal trading is consistent with applicable law and the Code of Ethics. Subject to compliance with the Code of Ethics, employees may buy, sell or hold, for their own personal accounts, securities that we may also buy, sell or hold for our clients.

The Code of Ethics also contains policies and procedures that, among other things:

- prohibit employees from taking personal advantage of opportunities belonging to clients,
- place limitations on personal trading by employees and impose pre-clearance and reporting obligations with respect to trading, and
- require reports of securities holdings and transaction reports by employees.

The Firm's Code of Ethics is available upon request by contacting our Chief Compliance Officer, Martin Tornqvist, at compliance@cfm.fr.

B. Recommendations to clients, or buys or sells for client accounts of securities in which the Firm or a related person has a material financial interest.

As the sole trading adviser to the private funds we advise, we may participate in the offering of fund interests to potential investors in compliance with applicable law and regulations. This involvement could be construed as selling to a client a security in which we have a material financial interest. The Firm as well as staff of the Firm may also be invested in our private fund clients and, in fact, the Firm and its staff are invested on a pooled basis with external investors in certain private funds managed by us. We believe that this aligns the Firm's and its staff's interests with those of clients and view this as a beneficial arrangement.

C. Investing in the same securities (or related securities, e.g., warrants, options or futures) that the Firm or a related person recommends to clients.

Please see Item 11.B above. In addition, the Firm may perform certain currency hedging of its revenue, which is denominated in US\$ and Euro, using similar futures instruments as traded for clients. This hedging activity is performed using exchange traded futures contracts and is unrelated to the trading activities of our clients.

D. Recommendation of securities to clients, or buys or sells securities for client accounts, at or about the same time that the Firm or a related person buys or sells the same securities for its own (or the related person's own) account.

Please see Item 11.B and 11.C above. Any investment or redemption by the Firm or staff in a private fund is processed on the same dealing dates following the same procedure as the subscriptions or redemptions of external investors. The pre-clearance procedure required to be followed by employees when investing in non-exempt financial instruments provides transparency in relation to employees or related persons investing in the same securities as recommended, bought or sold for clients.

Brokerage Practices

A. Selecting broker-dealers and evaluating commission levels

We only execute trades electronically over connectivity with brokers and exchanges. Bringing a new execution venue to this electronic infrastructure is a significant project and usually takes at least 6 months. The Firm maintains an Execution Policy for selecting brokers as well as directing order flow to brokers. The Execution Policy identifies several execution factors for selecting brokers, the most important of which are cost, latency, quality of processing and credit worthiness. In general, we choose the brokers used to trade for private fund clients based on the principle of obtaining best execution while also accommodating our electronic order transmittal and other requirements.

1. Soft Dollars

We do not maintain any soft dollar accounts with brokers. We may, however, from time to time receive research services and/or other services from brokers free of charge. In general, all services we receive from brokers that could be considered soft commissions are within the safe harbor of Securities Exchange Act Section 28(e) but according to our internal policies we may accept other services when they are for the benefit of clients. In 2010, the Firm received hosting and data processing services from an executing broker in relation to execution of trades in the Asian markets. The hosting and data processing services were for the sole benefit of clients and enables clients to benefit from significantly reduced latency and improved quality of execution in certain Asian markets.

2. Brokerage for Client Referrals.

Although we have at times received client referrals from brokers, this would not be a factor for selecting brokers.

3. Directed Brokerage.

We only execute trades through brokers with whom our clients have established accounts. Once the client has opened the required accounts and authorizes us to trade in such account on its behalf, we will execute trades only through those brokers who can accommodate our needs and investment style. A client who only processes trades through a sub-set of the available brokers or who appoints a third party broker for its execution or clearing activities may potentially receive less favorable terms than other clients that benefit from the volume discounts as well as processing technology based on the combined volume of our clients.

B. Bunched orders

We may bunch orders in the futures, FX spot and fixed income markets in order to receive similar executions for all clients. The executed trades are allocated to clients using an enhanced CFTC “highest price to highest account number” type allocation algorithm or an end of day average price allocation. All trades in equity securities and options are currently allocated pre-trade.

Review of Accounts

A. Account Reviews

Our operations staff reconcile all client accounts on a daily basis. The Head of Operations reviews all client accounts on a monthly basis. In addition to continuous monitoring by the various research and production teams, the Investment Committee of the Firm formally reviews the performance all clients on a monthly basis.

C. Client Reports

The Firm sends monthly and quarterly performance reports to all clients. The investors in the private funds receive monthly net asset statements as well as annual audited accounts processed by the funds’ administrator. Certain private funds that are listed on the Irish Stock Exchange also publish semi-annual unaudited financial statements.

Client Referrals and Other Compensation

The Firm may compensate third parties for prospective advisory client referrals (or referrals of private fund investors) in accordance with applicable law. Written arrangements govern such compensation and are disclosed to referred clients or investors. Generally, such fees would be proportional to the amount invested by the referred advisory client or investor in a private fund during a pre-defined period of time.

As a result of a now discontinued arrangement with Altegris Investments, Inc. (“Altegris”) pursuant to which Altegris introduced prospective investors to certain private funds, Altegris has an ongoing right to receive compensation corresponding to 0.50% of the assets under management of such referred investors.

Custody

We are deemed to have custody of certain client assets as a result of our authority to deduct advisory fees from certain private fund accounts and through our related person, CFM NA, acting as managing member or general partner of certain private funds. The Firm complies with the custody requirement of the SEC for all U.S. private funds by appointing third party qualified custodians to its private fund clients and sending audited financial statements prepared in accordance with US GAAP to all investors in private funds within 120 days of the year-end of the respective private fund. An independent PCAOB registered accountant audits the financial statements of all client private funds.

Investment Discretion

We manage all of our client accounts on a discretionary basis pursuant to trading advisory agreements entered into with each client. The standard trading advisory agreement grants us discretionary authority to trade for a client's account in accordance with one of our trading programs (currently Stratus and Discus). Clients usually retain the authority to appoint counterparties and service providers (such as executing brokers, clearing brokers, custodians, administrators, etc). In the case of private funds, the directors of the funds may authorize certain named staff of the Firm to conduct cash transfers required to support the trading activity and the day to day operations of the fund.

We strongly prefer to treat similarly every client following a specific investment program. Due to tax, regulatory or other specific needs, we may agree with certain clients to exclude certain instruments or modify the program. Such adjustments are usually exclusions of instruments from the pool and would only account for a minor part of the trading universe.

Voting Client Securities

Currently, we only advise on securities for private fund clients and generally we have an authority to vote securities for such private funds. However, due to the relatively high-frequency trading strategies operated by us, the time, effort and expense required to make voting decisions, we do not believe it is in the best interests of our clients to vote. Therefore, our policy is not to vote proxies. Clients do not generally direct us to vote any securities. The Firm has implemented a written policy regarding the voting of client securities in exceptional circumstances when it elects to do so. When voting client securities, we endeavor to vote in the client's best interest as determined on a case-by-case basis. Such written policy also addresses material conflicts of interest that may arise between the Firm and its clients with respect to voting of client securities. The Firm's portfolio managers and Chief Compliance Officer oversee and manage the process by which it votes client securities. The Firm's voting policy is available upon request. An advisory client also may obtain a record of the Firm's voting for such client by contacting our Chief Compliance Officer, Martin Tornqvist, at compliance@cfm.fr.

Financial Information

A. Balance Sheet

Not applicable.

B. Financial Condition.

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions

Not applicable.

Requirements for State-Registered Advisers

Not applicable.