

PART 2A OF FORM ADV – FIRM BROCHURE

ADAIR CAPITAL LLC

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This brochure provides information about the qualifications and business practices of Adair Capital LLC (“Adair”). If you have any questions about the contents of this brochure, please contact us at (212) 750-1577 or info@adaircapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Adair also is available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT Adair OR ANY PRINCIPALS OR EMPLOYEES OF Adair POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

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SUPPLEMENT – BIOGRAPHIES OF KEY PERSONNEL

Advisory Business

Adair is a Delaware limited partnership that was formed and commenced operations in March 2000. The founders and principal owners of Adair are Pierre Durand and Paolo Alimonti.

Adair primarily provides advice to three private investment funds, Adair Multi-Manager Fund Ltd, Adair Select US Equity Fund Ltd, and Adair Next Generation Fund Ltd. (the “Adair Funds”), although Adair may also manage separate accounts for clients.

Each of the Adair Funds invests in a carefully selected group of hedge funds managed by investment advisers independent of Adair with the objective to maximize long term capital appreciation and reduce risk and volatility.

Adair is generally granted broad investment authority with respect to the management of the accounts of its clients. Adair tailors its advisory services to the specific investment objectives and restrictions of each Adair Fund and each managed account. Adair may agree in the investment management agreement with each client to investment restrictions or guidelines with respect to the types of investments that may be purchased or sold for the client’s account. Adair may pursue different investment strategies for different clients.

Investors and prospective investors in each Adair Fund should refer to the confidential private placement memorandum, limited partnership agreement and other governing documents for each Adair Fund (the “Governing Documents”) for more complete information on the investment objectives and investment restrictions with respect to a particular Adair Fund. There is no assurance that any of the Adair Funds’ investment objectives will be achieved.

Adair may enter into “side letters” or similar agreements with certain investors in the Adair Funds granting the investor certain specific rights, benefits, or privileges that are not made available to investors generally.

Adair does not participate in any wrap fee programs.

As of December 31, 2010, Adair managed \$116,400,000 on a discretionary basis and \$44,038,000 on a non-discretionary basis.

Fees and Compensation

The basic fees charged to clients and investors in the Adair Funds are currently a fixed annual management fee equal to 1% of net assets, generally payable quarterly in advance, and a quarterly performance fee or allocation equal to 10% of the amount by which the net value of each account as of the end of each calendar quarter exceeds the net market value of the account as of the beginning of the quarter, payable after the end of each quarter. In the case of the Adair Funds, the performance fee is calculated separately with

respect to each series and class of shares, and is equal to 10% of the increase in the net asset value of each outstanding share each calendar quarter over any decrease in the net asset value of such share in any prior calendar quarter which has not previously been recouped. All investors and prospective investors should review the Governing Documents for each Adair Fund for more complete information on the fees and compensation payable with respect to a particular Adair Fund.

Adair may, in its sole discretion, waive all or part of the management or performance fee payable by any investor in any of the Adair Funds or agree to different fees for any managed account

The fees earned by Adair are deducted directly from the assets of the Adair Funds and managed accounts.

Other Fees and Expenses

The Adair Funds and other clients of Adair are responsible for all costs and expenses incurred in connection with the investments in their accounts, including subscription and redemption fees charged by the hedge funds in which they invest. Clients of Adair and investors in the Adair Funds also bear indirectly the expenses of the hedge funds in which they invest, including the management, advisory, performance and other fees and allocations payable by such hedge funds to the managers of such hedge funds; brokerage commissions; clearing fees; fees, interest and other costs in connection with margin accounts or other borrowings; borrowing charges on securities sold short; custodial fees; bank service fees; costs of any outside appraisers, accountants, attorneys or other experts or consultants; costs of research and data services; and administrative, legal, accounting, auditing, insurance and other operating costs and expenses. The Adair Funds also pay all of their own operating costs, including directors, administrative, legal, accounting, auditing and insurance costs and expenses, as described in greater detail in the Governing Documents for each Adair Fund. This effectively results in investors in the Adair Funds incurring two levels of expenses, one at the level of the Adair Fund and another at the level of the hedge funds in which each Adair Fund invests.

Neither Adair nor its supervised persons will receive any compensation with respect to investments in hedge funds or the purchase or sale of securities or other investment products by any Adair Fund or managed account. See “Brokerage Practices” for more information about the brokerage commissions that will be incurred directly or indirectly by clients of Adair and investors in the Adair Funds.

Performance-Based Fees and Side-by-Side Management

Adair, or an affiliate of Adair, ordinarily receives a performance-based fee or a special allocation of profits from each of its clients, including the Adair Funds, as described above under “Fees and Compensation.” Please refer to the Governing Documents of each Adair Fund for more complete information on the performance-based fee arrangements of each Adair Fund. The performance-based compensation arrangements charged by Adair comply with Rule 205-3 under the Investment Advisers Act of 1940

(the “Advisers Act”). Different client accounts may be subject to different performance-based compensation arrangements. The Adair Funds and managed accounts will also incur performance based fees payable to the managers of the hedge funds in which they invest.

Performance-based fees may create an incentive for Adair and the managers of the hedge funds in which the Adair Funds and managed accounts invest to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

Adair may provide concurrent advisory services to clients that are not charged a performance-based fee or allocation, or are charged a lower fee, at the same time as it provides services to clients that are charged a higher performance-based fee or allocation. The potential for Adair to receive greater fees or allocations from performance-based accounts, or accounts paying higher fees, may create a potential conflict of interest with respect to the allocation of investment opportunities, as Adair may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a higher performance fee or allocation. To alleviate potential conflicts of interest, the allocation of commitments and investment decisions with respect to each Adair Fund and managed account are made by Adair in accordance with Adair’s investment allocation policy, which takes into account various criteria, including specific objectives of each account, the size and capital available for investment by each account, diversification needs, the size of the investment opportunity, current and anticipated market conditions, specific investment restrictions or guidelines applicable to each account, and relevant tax or regulatory considerations.

In the event investment opportunities are suitable for more than one Adair Fund or managed account, Adair will allocate such investment opportunities in a manner that is fair and equitable to each account over time, taking into account all relevant facts and circumstances.

Types of Clients

Adair provides advice to the Adair Funds and may provide advice to separate managed accounts. Clients of Adair and investors in the Adair Funds may include corporations, endowments, foundations, trusts, estates, individuals and pension and profit sharing plans. The Adair Funds are offered exclusively to accredited investors in reliance upon certain exemptions from the registration requirements otherwise applicable under federal and state securities laws that are available to private funds whose securities are not publicly offered. Generally, investors in the Adair Funds must invest a minimum of \$1,000,000. Each Adair Fund may waive the minimum investment amount

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

The Adair Funds invest primarily in hedge funds chosen by Adair. Each Adair Fund allocates its assets among a diversified group of hedge funds that invest in a variety of diversified portfolios of securities, using a variety of different investment strategies and techniques implemented by a carefully selected group of investment advisors. The investment advisors to the hedge funds (the “Portfolio Managers”) may invest in all asset classes, including equity securities, debt securities, futures, forward contracts, convertible securities, swaps and derivative instruments. The Portfolio Managers may use aggressive investment techniques, including leverage, short sales and options, for investment or hedging purposes.

The objective of each Adair Fund is to reduce risk by producing lower volatility of results, while increasing return over the typical rate which might be earned in an investment with comparable risk.

Adair selects Portfolio Managers after considering a variety of different criteria with respect to each Portfolio Manager, including:

- Definable investment strategy that can be executed under varied market conditions.
- Consistency of risk-adjusted returns over time.
- Ability to generate returns primarily through individual security selection, not through predicting general market directions.
- Ability to achieve profits by purchasing securities at trading prices below their fundamental value and selling short securities at trading prices above their fundamental value.
- Implementation of active risk controls at the portfolio level to mitigate volatility.
- Amount of assets under management and a Portfolio Manager’s effectiveness at deploying capital.
- Adequate infrastructure to support trading activity and execution of investment strategy.
- Substantial amount of Portfolio Manager’s net worth invested in the strategy and hedge fund along with the Fund.

Adair’s principal sources of information include meeting with Portfolio Managers, monthly, quarterly and annual reports, personal interviews with directors and officers of hedge fund managers, visits to hedge fund managers, SEC and other public filings, general industry knowledge, and contacts with other participants in the relevant industry and financial markets.

Material Risks

Although investments in hedge funds may result in significant returns to the clients of Adair, they also involve a substantial degree of risk. Prospective clients and investors in the Adair Funds should carefully review the risks described in the Governing Documents for the relevant Adair Fund, and should evaluate the merits and risks of an investment in the context of their overall financial circumstances. The risk factors below are not intended to be exhaustive and should be considered carefully by prospective investors together with the full text of the applicable Governing Document or client agreement

Investment and Trading Risks in General

All investments risk the loss of the amount invested. No guarantee or representation is made that any investment program will be successful, and investment results may vary substantially over time. The value of a client's portfolio and the income (if any) derived from it, can go down as well as up.

Risks of Underlying Investment Strategies

Adair allocates the assets of each Adair Fund and managed account to a number of Portfolio Managers, ordinarily by investing in investment vehicles which they manage ("Portfolio Funds"). Each Portfolio Manager may invest in a wide range of asset classes using a wide range of different investment strategies. An investor in an Adair Fund or managed account bears indirectly all of the risks of each of the different investment strategies used by the Portfolio Managers selected by Adair.

No Control over Portfolio Managers or Funds

Adair will not be able to control or monitor the activities of Portfolio Funds and Portfolio Managers on a daily basis. A Portfolio Manager may use investment strategies that differ from its past practices, have not been fully disclosed to investors, or involve added risks under certain market conditions.

Risks of Multiple Portfolio Managers

Each Portfolio Manager makes its trading decisions independently of Adair or any other Portfolio Manager. Portfolio Managers may on occasion be competing with each other for similar positions at the same time and may take opposite positions in the same or in a related security. If Adair replaces one Portfolio Manager with a new Portfolio Manager, the assets allocated to the new Portfolio Manager may be subject to incentive compensation arrangements commencing from the date of appointment of the new Portfolio Manager. A client of Adair may be required to pay incentive compensation based upon profits generated by one Portfolio Manager even though another Portfolio Manager or the client's portfolio as a whole may have realized a loss.

Two Levels of Expenses

An investor in an Adair Fund or managed account incurs the costs of two levels of investment advisory services: the fees paid by the investor to Adair for the selection of Portfolio Managers by Adair, and the incentive and other fees paid to each Portfolio

Manager. In addition, the investor bears a proportionate share of the fees and expenses of the Adair Fund or managed account and, indirectly, similar expenses of the Portfolio Managers and Portfolio Funds. An investor who met the conditions imposed by a Portfolio Manager or Portfolio Fund may be able to invest directly with the Portfolio Manager or Portfolio Fund, although in many cases access to a Portfolio Manager or Portfolio Fund may be limited or unavailable.

Lack of Regulation of Portfolio Funds

Portfolio Funds in which Adair invests on behalf of its clients may not be subject to any, or only limited, authorization or regulatory supervision. Portfolio Funds may not be required to have an independent custodian. Portfolio Funds are generally not subject to many provisions of the U.S. federal securities laws, particularly the U.S. Investment Company Act of 1940, that are designed to protect investors in pooled investment vehicles offered to the public in the United States, and may not generally be subject to regulation or inspection by the SEC or other U.S. governmental authorities or any comparable scheme of regulation or governmental oversight in their home jurisdiction. Portfolio Funds and Portfolio Managers may be located outside the United States and may not be subject to U.S. law or the jurisdiction of U.S. courts and regulatory authorities.

Illiquidity of Portfolio Funds

Investments in Portfolio Funds may be subject to lock-up periods, limited redemption rights, advance notice requirements, suspension rights, gates, side pockets and other provisions that adversely affect liquidity. Interests in Portfolio Funds typically have not been registered under U.S. or other securities laws, typically are not listed or dealt in on any securities exchange, and typically are not freely transferable. It may be difficult or impossible to sell such interests. Portfolio Funds may not permit redemptions and, under certain conditions, may defer redemption payments or suspend redemptions.

Distributions in Kind by Portfolio Funds

An investor in a Portfolio Fund may be required to accept distributions of securities or other assets from the Portfolio Fund. The investments may be illiquid and not readily realizable.

Valuation of Portfolio Funds

The valuation of investments in Portfolio Funds is ordinarily determined based upon valuations provided by the managers or administrators for the Portfolio Funds. Although Adair reviews the valuation procedures used by Portfolio Funds and Portfolio Managers, Adair is not able to confirm the accuracy of valuations provided by Portfolio Funds and Portfolio Managers.

Disciplinary Information

Adair and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

Other Financial Industry Activities and Affiliations

None of Adair or its management persons are registered as a broker-dealer or a registered representative of a broker-dealer or affiliated with any broker-dealer or bank.

None of Adair or any of its management persons are registered as a futures commission merchant, commodity pool operator or commodity trading advisor.

Adair does not receive any compensation from any other investment advisers recommended or selected by Adair to manage assets for any of the Adair Funds or any other clients of Adair. Adair does not have other business relationships with other advisers that create a material conflict of interest.

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

Code of Ethics

Adair has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing Adair's commitment to ethical conduct and describing its fiduciary duties and responsibilities to its clients. Under Adair's Code of Ethics, all supervised personnel have a duty to act only in the best interests of the Adair Funds and other client accounts, and all material conflicts of interest and violations of the Code of Ethics must be promptly reported to Adair's Chief Compliance Officer ("CCO"). The Code of Ethics also contains restrictions on the acceptance of gifts and making of political contributions by employees. All supervised personnel must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics contains policies and procedures with respect to personal securities transactions by employees and related accounts that are designed to prevent front-running, scalping, the misuse of inside information and other improper activities. Employees must obtain the prior approval of the CCO for certain personal securities transactions, and must report all personal transactions to the CCO on at least a quarterly basis. The CCO monitors all transactions by employees in order to identify any pattern of conduct that may evidence conflicts or potential conflicts with the principles and objectives of the Code of Ethics or other inappropriate behavior.

Adair requires that all employees act in accordance with all applicable federal and state regulations governing investment advisory practices. Adair's Code of Ethics also includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline or termination.

Adair will provide a complete copy of its Code of Ethics upon request.

Participation or Interest in Client Transactions; Personal Trading

The principals and employees of Adair are investors in the Adair Funds.

Adair may engage in cross transactions (causing one managed account to buy or sell securities from or to another managed account) on behalf of client accounts. Adair will only engage in a cross transaction when the transaction is in the best interests of, and consistent with the investment objectives and policies of, both accounts involved in the transaction. Any cross transaction between client accounts must be effected for cash consideration at the current market price of the securities, or in the case of an investment in a hedge fund, at the current net asset value of then interest in the hedge fund as determined by the manager or administrator of the hedge fund. An employee may not engage in principal transactions between a personal account and a client account. An employee also may not cause one client account to sell a security to another client account in a cross transaction if any employee will receive any compensation from any source for acting as broker (an agency cross transaction).

Brokerage Practices

Since Adair manages assets by causing its clients to invest in Portfolio Funds, Adair will not ordinarily be involved in the selection of brokers to execute transactions for clients. Clients of Adair will indirectly bear the costs of brokerage commissions incurred by the Portfolio Funds in which they invest. Portfolio transactions for the Portfolio Funds are executed by brokers and dealers selected by the Portfolio Manager of each Portfolio Fund. Adair does not attempt or have any ability to influence the selection of brokers by Portfolio Managers and does not receive any compensation of any kind from Portfolio Managers or brokers. Adair does not raise capital for other managers, does not take economic interests in hedge fund firms, and does not receive services paid for with "soft dollars" generated by trading for client accounts. This ensures that investment decisions are never biased by potential conflicts of interest.

Review of Accounts

Adair will periodically monitor portfolio investments on behalf of each Adair Fund or managed account. Each review is conducted by either Paolo Alimonti, Managing Director, or Pierre Durand, President.

Each Adair Fund distributes audited financial statements to its investors on an annual basis, within 180 days of its fiscal year end. The administrator of each Adair Fund also distributes monthly performance reports to investors.

Client Referrals and Other Compensation

Adair is compensated exclusively by its clients and investors. Adair does not accept commissions from managers or intermediaries; does not raise capital for other managers;

does not take economic interests in hedge fund firms; and does not receive any benefits paid for out of "soft dollars" generated by trading for client accounts.

Adair may enter into arrangements with third parties in which Adair pays to third parties who introduce clients to Adair a portion of the advisory fees received by Adair from such clients. Such arrangements will be disclosed to Adair's clients in accordance with, and otherwise comply with, Rule 206(4)-3 under the Advisers Act. Adair and its affiliates may also enter into compensation arrangements with unaffiliated placement agents or third parties for introducing investors to an Adair Fund.

Custody

Adair will not have physical custody of any client assets.

Investment Discretion

Subject to the investment objectives, policies and restrictions of each Adair Fund as set forth in the Governing Documents of such Adair Fund, Adair has discretionary authority to determine the type and amount of investments to be bought and sold on behalf of each Adair Fund and managed account.

Voting Client Securities

Since client accounts managed by Adair invest primarily in hedge funds, Adair will rarely be called upon to exercise any voting authority on behalf of client accounts. When exercising voting authority on behalf of a client account or Adair Fund, Adair will consider all relevant information, and vote all client securities in a manner consistent with the best interest of the client. In some instances, Adair may determine that it is in the client's best interest for Adair to abstain from voting or not to vote at all.

Adair will promptly deliver to each client upon written request a copy of its proxy voting policy and/or information on how it voted proxies for the applicable client or Adair Fund.

Financial Information

Not Applicable.