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This brochure provides information about the qualifications and business practices of Lucrum Capital LLC. If you have any questions about the contents of this brochure, please contact us at 415-536-3801. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority. Additional information about Lucrum Capital LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

The following are changes since our last annual update of our brochure:

Effective April 1, 2011 Ben Hovemale is no longer with the firm as he has chosen to pursue another opportunity.

No other material changes to report.

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Item 4 - Key Personnel and Business Description

Thomas M. Zeifang, CFA - *Principal/GP*

Mr. Zeifang is portfolio manager and founder of Lucrum Capital. He was previously a managing director of the \$1+ billion small/mid cap equity team for Wells Capital Management from 1995 through 2002. Mr. Zeifang holds a Master's Degree in business administration in finance and business policy from the William E. Simon School of Business Administration, University of Rochester, Rochester, NY, and a bachelor's degree in finance from St. Bonaventure University, St. Bonaventure, NY. Mr. Zeifang holds the Chartered Financial Analyst designation.

Lucrum Capital LLC was founded in 2003 as a long short equity fund that utilizes rigorous fundamental and financial analysis to drive the investment process. The long portfolio is built with companies that have sound business models, positive earnings outlooks and attractive valuations. Shorts are primarily selected based on deteriorating business models and negative earnings expectations. We expect to adjust the portfolio exposure between 75% net long to 35% net short over the business cycle depending on market conditions. We expect security selection, not hedges or beta, to generate a return on our partner's capital. 100% of assets under management are full discretionary.

All material conflicts of interest under CCR Section 260.238 (k) have been disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

Lucrum Capital LLC has one product the MDM Fund (Long Short Equity Fund) and does not tailor the product to any one customer's needs. The adviser does not participate in any wrap fees programs.

Item 5 - Fees and Compensation

Adviser will receive a 1.25% management fee (paid quarterly in arrears) and an annual Incentive Allocation equal to 20% per annum of the profits (including realized and unrealized gains and losses) allocated to the Capital Account of each Fund investor subject to a highwater mark calculated 12/31. These are the only fees Lucrum receives. Adviser, in its discretion, may waive all or a portion of the Incentive Allocation as to an investor, or may agree with an investor to other changes to the Incentive Allocation respecting such investor. Additional fund level fees may include annual tax, audit and fund administration fees. It should be noted lower fees for comparable services may be available from other sources. The aforementioned fee complies with CCR 260.324.

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

Adviser receives 20% per annum of profits (including realized and unrealized gains and losses) allocated to the Capital Account of each Fund investor subject to a highwater mark. Adviser only has one product the Fund which is subject to these performance-based fees.

Item 7 - Target Clientele

The adviser has a target market of high net worth individuals, Trusts/Estate/Charitable organizations and Corporate Institutions. Adviser generally requires a minimum of \$1,000,000 for investors in the private investment funds, and, in order to invest in private investment fund, those investors generally must be accredited investors under Regulation D, a Qualified Purchaser under the Investment Company Act, and qualified to participate in a performance fee arrangement under the California Code and/or the Advisers Act by having a net worth of more than \$1,500,000 or invest at least \$750,000 in the private investment fund. Adviser generally requires such investors to make representations concerning their sophistication as investors and their ability to bear the risk of loss of their entire investment under Adviser's management. These minimums may be waived by Adviser in its discretion. Adviser, in its sole and absolute discretion, may admit a limited number of investors who do not satisfy these standards.

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

The Fund's investment objective is to positive absolute returns with reduced volatility. Prospective investors should carefully read the Fund's Memorandum which contains a complete copy of the Fund's Operating Agreement and other important information. However, the Memorandum should not be considered to be legal or tax advice and prospective investors should consult with their own counsel and advisors as to all matters concerning an investment in the Fund. There can be no assurance that the investment objective of the Fund will be achieved. An investment in the Fund is subject to significant risks and conflicts of interest, described in the Memorandum.

Item 9 - Disciplinary Information

None to report.

Item 10 - Other Financial Industry Activities and Affiliations

None to report

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

As a Chartered Financial Analyst (CFA) we are held to the highest of ethical standards. We place our client's interest ahead of our own, we maintain independence and objectivity, and we act with integrity. Annually we commit to abide by their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. To learn more about the CFA charter please visit www.cfainstitute.org.

Adviser's investment advisory business involves a special relationship of trust and confidence between it and its clients. Adviser is also subject to various laws and regulations that govern investment advisers' conduct. The Code of Ethics describes the standard of conduct that is expected of all employees generally and focuses on three specific areas where employee conduct has the potential to impact adversely the interests of Adviser's clients: Misuse of Confidential Information; Personal Securities Trading; and Outside Employee Activities.

From time to time, the Adviser and/or its affiliates may obtain a control position or other substantial position in the securities of public companies, and/or the principals, employees or affiliates of the Adviser may serve as directors or executive officers of public companies. In such cases, the Adviser and its affiliates may be required to make certain filings with the SEC and/or other regulatory agencies, and may become subject to other regulatory restrictions that could significantly limit the ability of the Adviser and/or its clients to add to or dispose of their respective investment holdings of such public companies at otherwise advantageous time and in otherwise advantageous manners.

Adviser serves as the general partner of a private investment fund, and may serve as manager, general partner, and/or investment adviser of other private investment funds. For private investment funds, where Adviser serves as manager, general partner, and/or investment adviser, Adviser may make investments in those funds available to qualified clients whose investment strategies are consistent with those of the private investment funds. Adviser does not intend to advise clients as to the appropriateness of investing in such private investment funds and Adviser will not receive any compensation for doing so (except to the extent that Adviser receives advisory and other fees from the private investment funds) or for selling interests in such private investment funds. However, because of the relationship between Adviser and such private investment funds, Adviser could be considered to have recommended the investment should a person who is otherwise a client of Adviser invest. Adviser may also, from time to time, suggest to potential advisory clients the purchase of interests in such private investment funds.

The Fund's investment objective is to positive absolute returns with reduced volatility. Prospective investors should carefully read the Fund's Memorandum which contains a complete copy of the Fund's Operating Agreement and other important information. However, the Memorandum should not be considered to be legal or tax advice and prospective investors should consult with their own counsel and advisors as to all matters concerning an investment in the Fund. There can be no assurance that the investment

objective of the Fund will be achieved. An investment in the Fund is subject to significant risks and conflicts of interest, described in the Memorandum.

Adviser recognizes that the personal investment transactions of its members and employees demand the application of a high code of ethics, and Adviser will require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, Adviser believes that if investment goals are similar for clients and for Adviser and its members or employees, it is logical and even desirable that there be a common ownership of some securities. Therefore, in order to address conflicts of interest, Adviser has adopted a set of procedures with respect to transactions effected by Adviser and its officers, members and employees (hereafter, "Employees") for their "personal accounts."

In order to monitor compliance with its personal trading policy, Adviser has adopted a quarterly securities transaction reporting system for all of its Employees. (For purposes of the policy, an Employee's "personal account" generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls).

Adviser will provide a copy of its code of ethics to any client or prospective client, upon request.

Item 12 - Brokerage Practices

Adviser seeks to avoid conflicts of interest and favoritism of one client over another in its portfolio trading. In this connection, Adviser is establishing policies and procedures to address the following areas in which such conflicts may occur: Trade Allocations; Principal Transactions; Best Execution; Soft-Dollar Transactions; and Trade Errors.

Adviser will generally seek "best execution" in light of the circumstances involved in transactions. In selecting a broker for any transactions, Adviser may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. Adviser will not obligate itself to obtain the lowest commission or best net price for an account on any particular transactions.

Selecting a broker in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." Because many of those services could benefit an investment adviser, the adviser could have a conflict of interest in allocating securities transactional business, including an incentive to effect more transactions than it might otherwise do in order to obtain those benefits. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

Adviser's policy is not to enter into soft-dollar arrangements with any brokers servicing its clients' accounts. Should this position change, it is Adviser's policy to disclose fully its use of soft dollars to all prospective clients.

Item 13 - Review of Accounts

Lucrum Capital LLC has only one account, the fund, with one mandate that is continuously monitored (daily basis).

Item 14 - Client Referrals

None to disclose

Item 15 - Custody

We do not take custody of assets. We use JP Morgan as our Prime Broker and HedgeWorks/Deutsche Bank as our Fund Administrator. On a monthly basis HW/DB issues statements to customers.

Item 16 - Investment Discretion

Per the operating agreement the fund is 100% full discretion.

Item 17 - Proxy Voting

Adviser treats voting rights of securities held in its clients' portfolios in a manner that is in its clients' best interests. Adviser's management has determined that it is in the clients' best interests for Adviser NOT to exercise the clients' voting rights with respect to the securities in its clients' portfolios, due to its determination that proxy voting is not relevant to Adviser's investment strategy. Notwithstanding this general policy, if Adviser determines that it is appropriate to exercise voting rights in a particular instance, the matters on which a vote is solicited will be evaluated in light of the clients' investment objectives for the security.

Item 18 - Financial Information

Lucrum capital is a private limited partnership and considers its financial information to be confidential. Lucrum is financially strong and is unaware of any financial condition reasonably likely to impair its contractual commitments. Lucrum does not require or solicit prepayment of more than \$500 in fees per *client*, six months or more in advance. Lucrum Capital has not been the subject of a bankruptcy petition at any time over the last ten years.

Item 19 - Requirements for State-Registered Advisers

Thomas M. Zeifang, CFA - *Principal/GP*

Mr. Zeifang is portfolio manager and founder of Lucrum Capital. He was previously a managing director of the \$1+ billion small/mid cap equity team for Wells Capital Management from 1995 through 2002. Mr. Zeifang holds a Master's Degree in business administration in

finance and business policy from the William E. Simon School of Business Administration, University of Rochester, Rochester, NY, and a bachelor's degree in finance from St. Bonaventure University, St. Bonaventure, NY. Mr. Zeifang holds the Chartered Financial Analyst designation.

Mr. Zeifang is not actively engaged in any investment related business or occupation other than duties that pertain to Lucrum Capital LLC.

Mr. Zeifang does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products.

Mr. Zeifang does not receive any economic benefit (e.g. sales awards / other prizes) from someone who is not a client for providing advisory services.

Mr. Zeifang has NOT been found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Mr. Zeifang has NOT been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices

Adviser will provide a copy of any item listed above to any client or prospective client, upon request.