

AIS Capital Management LLC

Part 2A of Form ADV

The Brochure

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February 16, 2012

This brochure provides information about the qualifications and business practices of AIS Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at 203-563-1180 or info@aisgroup.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 a “registered investment adviser” does not imply a certain level of skill or training.

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

We have included in this brochure references to private investment funds advised by us for the sole purpose of describing our advisory business. This brochure is not intended as an offer of any of these funds which are privately offered only to qualified investors with whom AIS Capital Management (or a broker-dealer serving as placement agent) has a pre-existing substantive relationship and pursuant to separate private offering memoranda.

Material Changes

AIS Capital Management LLC’s business activities and investment management practices have not changed materially since the date of our last brochure (March 2011). However, we now engage cash solicitors for managed account business, as described in this brochure, and, in updating the information in this brochure, we have expanded the discussion under “Performance Fees and Sid-by-Side Management” to include a more detailed discussion related to potential conflicts of interests arising due to the payment of performance based compensation. AIS Capital Management LLC will update this brochure and highlight material changes in this section each year when this brochure is updated.

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Advisory Business

AIS Capital Management LLC (“we,” “us” or “AIS Capital Management”) is a Delaware limited liability company formed in 1997 by John R. Hummel and Bradley C. Stern (collectively, the “Founding Principals”) to succeed to the investment advisory business of AIS Capital Management Inc., a Delaware corporation organized by John R. Hummel in 1993. AIS Capital Management is the investment adviser/manager for individually managed accounts (each an “individual account”) and for private limited partnership investment funds (“Funds”).

AIS Capital Management advises three Funds, the strategies of two of which are also offered in an individual account format:

- AIS Balanced Fund LP; and the Tactical Asset Allocation Portfolio (“TAAP”) Strategy individual account.
- The AIS Capital Growth Fund LP.
- The AIS Gold Fund LP

AIS Capital Management also advises, or is available to advise, separately managed accounts in the TAAP Strategy, subject to reasonable modification requested by clients.

AIS Futures Management LLC (“AIS Futures Management”), an affiliate of AIS Capital Management, has the AIS Multi-Asset Allocation (“MAAP”) Strategy, which has four investment pools (each individually referred to as a “Domestic Partnership” or collectively as the “Domestic Partnerships”), including AIS Futures Fund II LP (2x-4x) and AIS Futures Fund LP (3x-6x) which may be recommended to AIS Capital Management clients with whom AIS Capital Management (or its principals) have an established pre-existing relationship. AIS Futures Management is the general partner, commodity pool operator and commodity trading advisor of the Domestic Partnerships.

With respect to certain individual account clients, AIS Capital Management allocates client assets amongst the AIS Capital Management and the AIS Futures Management Strategies according to the investment goals, time horizons and individual risk tolerance of each particular client as determined by the client in consultation with AIS Capital Management.

AIS Capital Management also is the investment adviser/manager to an offshore “feeder fund” which invests all of its assets into a combination of one or more AIS Funds and AIS Domestic Partnerships.

AIS Capital Management is also a sub-adviser for other investment advisors that have chosen AIS Capital Management to manage their client funds for them pursuant to our TAAP Strategy.

John Hummel and Brad Stern are the owners of AIS Capital Management, with John Hummel being the majority owner.

AIS Capital Management formulates its investment objectives, directs and manages the investment and reinvestment of the Funds’ and individual accounts’ assets and provides reports to investors. Investment advice is provided directly to the Funds and individual accounts

according to the Fund's or individually managed account's particular investment objectives but not individually to the Funds' investors. As of January 1, 2012, AIS Capital Management had approximately \$351 million under management.

Fees and Compensation

Compensation received by AIS Capital Management is a function of the investment strategy chosen. All strategies generally offered have a fee based on a percentage of assets under management and the Gold Strategy, Capital Growth Strategy, and MAAP Strategy have a performance-based fee as well. For clients with whom AIS Capital Management (or its principals) have an established pre-existing relationship and to whom AIS Capital Management provides advice with respect to allocation among the Funds and Domestic Partnerships, AIS Capital Management waives the management fee and, as pertinent, the performance-based fee that would otherwise be payable to AIS Capital Management as the Funds and Domestic Partnerships themselves pay fees to AIS Capital Management and AIS Futures Management, respectively. If an AIS Capital Management client is directed to opening an individually managed MAAP account, managed by AIS Futures Management, AIS Capital Management will not charge a fee on that allocation but AIS Futures Management will. Fees are generally deducted from client accounts on a quarterly basis for individual accounts and on a monthly basis from the Funds.

Management Fees (Based on Net Assets)

For individual accounts, AIS Capital Management generally charges a quarterly management fee equal to 1/4 of 1% of the value of the account, regardless of the strategy chosen. The management fee is paid in arrears, at the end of each calendar quarter, and deducted from the account. Management fees with respect to contributions or redemptions made on a day other than the first day of a calendar quarter are pro rated. AIS Capital Management, at its discretion, may discount individually managed account fees for very sizable investments.

For the Funds, AIS Capital Management generally is paid a management fee of 1/12 of 1% of the month-end net assets attributable to each investor's capital account, payable monthly in arrears.

For the Domestic Partnerships to which AIS Capital Management may recommend an allocation, AIS Futures Management is generally paid a per annum management fee of 2.7% or 4% (as described in the relevant offering memorandum) of the net assets attributable to each investor's capital account, payable monthly in arrears.

AIS Capital Management has engaged a cash solicitor to solicit managed account business. Clients introduced by the solicitor pay a quarterly management fee equal to 1/4 of 1.5% of the value of the client's account, half of which is paid on to the solicitor. This arrangement is disclosed to, and consented to by, each solicited client prior to that client's entering into an advisory agreement with AIS Capital Management.

Performance Fees/Allocations (Incentive Based)

With respect to the Capital Growth and Gold Funds, AIS Capital Management charges a 20% profit allocation for new net high profits. AIS Futures Management charges a 20% profit allocation for new net high profits in its MAAP Strategy (and AIS Capital Management does not receive separate compensation with respect to its clients allocating assets to the MAAP Strategy).

Other Types of Fees or Expenses

For individual accounts of AIS Capital Management, a client will also incur fees for brokerage, custody, wire transfers and other costs for maintaining the account and trading as per the strategy chosen. For very sizable accounts, AIS may pay the custody fee on behalf of the client. The Funds bear various fees and expenses, including, for example, legal and accounting fees, operating expenses, brokerage, custody and other administrative costs. Please also see “Brokerage Practices” below.

Performance-Based Fees and Side-by-Side Management

As noted above under “Fees and Compensation,” for individual account assets allocated to a Fund or a Domestic Partnership, all fees are charged at the Fund or Domestic Partnership level. AIS Capital Management will not charge a separate management or incentive fee for Fund or Domestic Partnership investments made by individual account clients.

AIS has a conflict of interest when allocating client assets amongst its strategies that have the differing fees described above under “Fees and Compensation.” AIS resolves this conflict by having in depth discussions with clients to ascertain their individual investment goals and time horizons, as well as their individual risk tolerance. While AIS Capital Management recommends allocations amongst its strategies, the client makes the final decision with full knowledge of the fees associated with each strategy and vehicle.

AIS Capital Management advises the Funds, two of which pay performance-based compensation, as well as managed accounts and the AIS Balanced Fund L.P. which do not. A potential conflict of interest arises with respect to investment allocation between client accounts that pay performance-based compensation and those that do not as there may be an incentive for AIS Capital Management to give preferential investment allocations to clients that pay performance-based compensation. In the rare instances where AIS Investment Management is not able to secure full allocations of investment opportunities for all its clients AIS Capital Management follows a written allocation policy designed to address allocation decisions. The allocation policy mandates that AIS Capital Management act in a fair and reasonable manner in allocating suitable investment and trading opportunities among all client accounts.

AIS Capital Management will exercise discretion over the allocation of trades and will introduce to each AIS Capital Management client account all investment opportunities brought to its attention that satisfy the overall investment objectives of that AIS Capital Management client account. Whether a particular opportunity meets the overall investment objectives of a particular AIS Capital Management client account will be determined by AIS Capital Management under

the circumstances (which may include liquidity, the size/amount of the available opportunity, risks involved, or other factors relating to such investment) and does not require that AIS Capital Management make all investment opportunities available to each AIS Capital Management client account. As a fiduciary, AIS Capital Management cannot arbitrarily distinguish among AIS Capital Management client accounts and proprietary accounts and cannot internally give promising positions to underperforming AIS Capital Management client accounts to boost performance or vice versa. The foregoing policy does not require that each opportunity be introduced to all accounts, leaving significant discretion to AIS Capital Management to make good faith determinations with respect to the allocation of trades. Each transaction should be suitable for each AIS Capital Management client account in light of the characteristics of the specific security and the overall portfolio composition of such AIS Capital Management client account. *Pro rata* allocations among all participating AIS Capital Management client accounts are not required, but in all cases in which a non-pro rata allocation is made, AIS should be able to demonstrate the general criteria on the basis of which such allocation was made.

Types of Clients

AIS Capital Management generally provides investment advice to high net worth individuals, pension and profit-sharing plans, trusts, estates or charitable organizations. These clients generally must be able to invest \$500,000 or more of capital, and have an established pre-existing relationship with AIS Capital Management, in order to become a client with respect to consultation and recommendations for allocation among Funds and Domestic Partnerships. The minimum account size for a separately managed account pursuing the TAAP strategy is generally \$500,000. AIS Capital Management generally does not recommend an allocation to a separately managed MAAP account of less than \$5,000,000.

AIS Capital Management also is the general partner, investment adviser and commodity pool operator of the Funds. The minimum investment in a Fund ranges from \$250,000 to \$1,000,000.

AIS Capital Management also is a sub-advisor for other investment advisors that have chosen AIS Capital Management to manage their client funds for them under the TAAP strategy and is a recommended advisor on one or more broker-dealer/investment adviser affiliated wealth management platforms. The minimum aggregate account size in these circumstances is generally \$500,000 for accounts whereby AIS Capital Management does the accounting and can be as low as \$100,000 for accounts where the principal or introducing advisor or broker-dealer (or affiliate) does the accounting for the account.

Methods of Analysis, Investment Strategies and Risk of Loss

AIS Capital Management performs macro research to determine the type of economic environment we are in and likely heading towards and does so on what many would consider a long term time frame. The analysis considers factors such as relative currency valuations, relative and absolute economic growth rates, demographics, historical relationships between asset classes, interest rates and political environments, as well as many other factors. Study of technical indicators helps to determine when to initiate, scale back or add to, or liquidate a

position, and how to allocate amongst favorable choices. Generally, AIS Capital Management's research conclusions are implemented across all of our four strategies to some degree, albeit, with different levels of diversification, instruments traded, ability to be both long and short, and the ability to leverage the underlying investments among other differences. Decisions are ultimately made with discretion. AIS Capital Management evaluates each client's individual goals, risk tolerance and investment time frames and generally recommends allocation to one or more of the following:

- The TAAP Strategy individual account or the AIS Balanced Fund LP.
- The AIS Gold Fund LP.
- The AIS Capital Growth Fund LP.
- The AIS MAAP Strategy individual account managed by AIS Futures Management or its AIS Futures Fund II LP (2x-4x) and/or the AIS Futures Fund LP (3x-6x).

Strategy Descriptions

TAAP Strategy (Managed Accounts and AIS Balanced Fund LP)

For The AIS TAAP Strategy, the goal is conservative long-term growth of capital and preservation of purchasing power. In order to accomplish this goal, AIS Capital Management actively manages the allocation of assets among stock, bond, gold and short-term cash-equivalents. A TAAP account may generally invest up to 80% of its asset value in either stocks or bonds, up to 100% in cash equivalents and up to 80% in gold, an equivalent ETF or other instruments such as gold futures (such futures are not used in managed accounts) although the actual allocations will vary from time to time and may exceed these guidelines. AIS exercises discretion in determining the mix of long-term assets in the TAAP portfolio at all times, which may include a 100% allocation to cash if AIS Capital Management does not believe that the risk to reward of being long stocks, bonds, or gold is favorable.

AIS Capital Management believes that, on a long-term basis, asset classes may outperform others for more than a decade once an extreme is reached and an economic reversal has begun. For example, when stocks are in a declining price trend either bonds or gold may be experiencing a rising price trend on which a TAAP account will attempt to capitalize through its asset allocation process. AIS believes that the disinflation that fueled a rise in financial assets during the 1980's and 1990's has ended and that a return to hard assets, like gold, is now a major theme going forward. AIS believes that hard assets, like gold, will not reach their peak for years. When AIS Capital Management's research defines bonds as undervalued and attractive, the account typically purchases longer-term U.S. Treasury bonds. When AIS Capital Management's research defines stocks as undervalued and attractive, AIS Capital Management will purchase individual stock issues for the account. Stocks are selected for the account based on a proprietary selection process developed by AIS Capital Management along with fundamental research of individual companies. An individual stock is sold when another, with better prospects, is identified and as long as the TAAP strategy has an allocation to equities on a macro level. Companies whose primary industry classification involves tobacco, alcohol or gambling

revenues will not be included in a TAAP portfolio. Stock selection is usually concentrated in specific industry groups that AIS believes will outperform a generally diversified industry group strategy.

The AIS Capital Growth Fund LP

AIS Capital Management actively manages the allocation of assets in its AIS Capital Growth Fund among individual equities (primarily U.S. equities but also some foreign equities) and U.S. exchange-traded stock index futures and possibly foreign stock index futures. Leverage of up to two times account equity may be employed.

For equities, AIS Capital Management attempts to identify individual equities which have the potential to outperform the Standard & Poor's 500 index ("S&P 500") on a twelve to eighteen month time frame or longer to be bought as well as to identify individual equities that will underperform the S&P 500 potentially to be sold short. AIS Capital Management performs in-depth fundamental research on companies that have been identified from a universe of over 2,000 equities by AIS Capital Management's macro economic analyses and proprietary momentum-based computer program. This program identifies potential candidate companies based on statistical distributions and relative patterns of historical price performance among all companies in the universe. Companies whose primary industry classification involves tobacco, alcohol or gambling revenues are excluded from the examined universe. AIS Capital Management then uses these research computations to assist in determining: 1) which new equities should be added to the portfolio, 2) which holdings should be eliminated and 3) which holdings should be increased or decreased in order to maintain the desired weighting of portfolio positions. Using the above selection criteria, a Capital Growth Strategy account could hold up to approximately 100 issues at any time but typically will hold between 20 and 60 issues, which may be heavily concentrated in specific market sectors in order to seek higher returns than those expected of a more diversified portfolio of securities.

In addition to a portfolio of individual equities, AIS Capital Management employs the use of short positions in stock index futures contracts primarily with the intention of protecting account capital during declining market phases. However, it may also use index futures, as well as ETF securities, for brief periods to increase exposure to the long side of an account until individual equities are purchased.

AIS Capital Management may also initiate short sales of stock index futures contracts, in addition to individual stock short sales, with the goal of generating gains under the expectation of an intermediate or major market decline. In this aforementioned scenario, the aggregate contract value of short stock index futures positions and individual stock short sales may be as much as two times the value of an account's overall equity portfolio as a means of creating a net short position. In structuring the overall weighting of an account's portfolio, the combined value of individual equity short sales and stock index short sales, except for brief periods, will not exceed a net short position of approximately 200 percent of portfolio equity. The maximum net short exposure of the Fund is limited to 100%. A net short position in excess of 100% of portfolio equity is limited to the extent of long exposure. In effect, the funds net exposure can range from -100% to +200%. To date, AIS Capital Management has not sold individual equities or equity futures short but has sold equity index futures short.

The AIS Gold Fund LP

The AIS Gold Fund LP may make long or short individual or combined investments in futures contracts in precious metals, physical bullion and related exchange-traded funds, options on futures contracts on precious metals or on precious metals indices, and in the equity securities, warrants and/or other offerings of companies engaged in one aspect or all aspects of exploration, production and processing of these metals. It also, from time to time, may use the aforementioned instruments as a means of hedging market or individual company risk. AIS Capital Management may leverage the Fund's securities investments by a factor of up to 2:1, primarily through borrowings. With respect to futures positions, leverage may be as high as a factor of 3.5:1 and may exceed this level from time to time depending on market conditions. The proceeds of borrowings are generally used as margin for an account's futures trading and equity related investments. The decision to be directionally long, short or hedged and the decision to use leverage on the long side, or not, will rely on macro-economic, monetary, quantitative and technical analysis research performed by AIS Capital Management. Individual equity based investments will be identified using both (i) systematic programs developed by AIS Capital Management or its affiliate, AIS Futures Management, that rely heavily on current and historical price data and (ii) relative price strength of individual companies compared to the general market and to other stocks within the precious metals universe as primary inputs as well as rigorous fundamental analysis of company specific information, which may include discussions with management and occasional onsite visits.

Although AIS Capital Management may use input from its proprietary quantitative decision models, AIS Capital Management will primarily exercise discretion in determining the mix of investments, whether to hedge various exposures and the degree of leverage employed.

MAAP Strategy

The MAAP Strategy is a discretionary, long-term oriented futures investment strategy. The MAAP investment process begins with a global macro-economic analysis and then uses a technical and systematic study of current trends and futures contract valuation to determine the direction and size of positions to be taken in MAAP. Once in a position, the MAAP investment process includes consideration of both trend-following strategies and the valuation levels of the underlying futures contracts in making adjustments to position size and direction.

MAAP maintains long, short or neutral positions in markets within each of the following six asset classes using futures contracts, options on futures contracts or a combination of both: equities, fixed income, currency, metals, agricultural products and energy products.

AIS Futures Management's basic risk management decision-making is discretionary, using both fundamental and technical/quantitative information, however, AIS Futures Management overlays these decisions with a systematic process to determine maximum long leverage in the commodity sectors.

The profitability of MAAP depends upon the occurrence of major price moves, or trends, in the futures contracts traded.

Material risks involved:

- All of the strategies recommended by AIS Capital Management generally have management and, in certain products, incentive fees. The accounts and Funds (and Domestic Partnerships) also incur brokerage commissions and in our Funds (and Domestic Partnerships), costs for legal and accounting work. Some of the strategies are leveraged and in some cases, taxes may be owed even if investments are not liquidated.
- Equities purchased for the strategies may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize. The value of the fixed-income securities in which we invest change as the general levels of interest rates fluctuate and will do so if the credit worthiness of the U.S. Government changes. When interest rates decline, the value of the accounts' and Funds' fixed-income securities can be expected to rise. Conversely, when interest rates rise, or if a substantial downgrade of U.S. sovereign debt is made, the value of such securities are generally expected to decline but if MAAP is short bonds, the opposite will occur. AIS may invest a portion of the Funds' assets in securities of foreign issuers or securities denominated in foreign currencies. Investing in foreign securities and/or currencies may present a greater degree of risk than investing in domestic securities due to possible exchange rate fluctuations, possible exchange controls, less publicly available information, more volatile markets, less regulation, less favorable tax provisions (including possible withholding taxes), war or expropriation.
- AIS utilizes leverage by purchasing securities on margin and incur interest charges when doing so. We may employ leverage by selling securities short but, do date, have not done so. The more leverage employed, the more likely a substantial change will occur in the value of a Fund's or account's equity for a given underlying market or security move. In addition, trading on margin results in interest charges to the individual accounts and Funds.
- AIS may make use of various derivative instruments, such as options, futures, and options on futures. The use of derivative instruments involves a variety of material risks, including the high degree of leverage sometimes embedded in such instruments. This leverage will increase returns and losses as compared to positions taken without leverage. However, leverage in futures and options on futures do not incur interest charges.
- Certain of our strategies invest in gold and precious metals. Several factors may affect the price of gold and precious metals, including: global gold supply and demand, which is influenced by such factors as forward selling by producers, purchases made by producers to unwind hedge positions, central bank purchases and sales, and production and cost levels in major gold and other precious metals producing countries such as South Africa, the United States, Canada and Australia; investors' expectations with respect to the rate of inflation; currency exchange rates; interest rates; aggregate money supply levels, investment and trading activities of hedge funds and commodity funds; and global or

regional political, economic or financial events, none of which are within the control of AIS Capital Management. A decline of prices of precious metals, and gold in particular, could have a materially adverse impact on the value of an account holding precious metals. Additionally, the market for gold is relatively limited and generally unregulated. Consequently, the gold market is often volatile. If an account holds physical metals, there is a risk that part or all of any physical precious metals could be lost, damaged or stolen or that access could be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack).

- Client investment portfolios may be subject to frequent trading which not only incurs higher total transaction costs, but could lead to buying at highs and selling at lows again and again resulting in significant losses.

Disciplinary Information

Neither AIS Capital Management nor its management persons have been involved in any legal or disciplinary events since AIS Capital Management's inception (including its predecessor entity) that would be material to a client's evaluation of the company or its personnel. In addition, our employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

None of our management persons are associated with a broker-dealer, other investment advisors or any other financial institution. AIS Capital Management is registered as a Commodity Pool Operator ("CPO") and our affiliate, AIS Futures Management, is registered as a Commodity Trading Advisor and CPO. Several employees of AIS are registered as an Associated Person of both AIS Capital Management and AIS Futures Management. AIS Futures Management is a separate entity from AIS Capital Management but the employees of each entity are the same.

Other investment advisers recommend clients to us but we generally do not pay for such referrals or share our fees with the referring investment adviser, although we may do so and, as of the date hereof, have one such cash solicitor relationship. Solicited clients receive a separate, cash solicitor, disclosure statement as well as this brochure.

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

AIS Capital Management seeks to foster and maintain a reputation for honesty, integrity and professionalism. That reputation is a vital business asset. The confidence and trust placed in us are highly valued and must be protected. As a result, AIS Capital Management and its Supervised Persons must not act or behave in any manner or engage in any activity that (1) creates even the suspicion or appearance of the misuse of material, nonpublic information, (2) gives rise to, or appears to give rise to, any breach of fiduciary duty owed to any client or

investor. In addition, AIS Capital Management and its Supervised Persons are mindful of activity that creates any actual or potential conflict of interest, or even the appearance of a conflict of interest, between any client or investor, on the one hand, and AIS Capital Management or any Supervised Person, on the other hand. All Supervised Persons are familiar with the discussion on conflicts of interest included in both any offering document used by AIS Capital Management and in this Form ADV Part 2.

AIS Capital Management and its Founding Principals and certain employees invest in the Funds. AIS Capital Management believes that such investments do not give rise to conflicts of interest but, rather, align the interests of AIS Capital Management with those of other investors, including AIS Capital Management clients, in the Funds. AIS Capital Management, its principals or its employees may engage in the trading of securities, futures contracts and other investments for their own accounts (the “proprietary accounts”) that are also recommended to AIS Capital Management’s advisory clients (which term includes, throughout this paragraph, the Funds). It is possible that such persons may take positions similar or opposite to positions taken by one or more of AIS Capital Management’s clients and that such persons and AIS Capital Management’s clients may from time to time be competing for similar positions in one or more markets. AIS Capital Management has instituted policies intended to ensure that the personal or proprietary trading of AIS Capital Management, its principals or its employees will not in any respect disadvantage AIS Capital Management’s clients or otherwise unfairly benefit from or conflict with a transaction by a client and that securities or other investments purchased or sold for client accounts will be transacted on terms at least as or more favorable as the terms for transactions for the proprietary accounts.

AIS Capital Management has adopted a Code of Ethics that requires Supervised Persons to, among other things:

- Comply with the applicable securities laws.
- Report violations of the Code of Ethics.
- Affirm yearly compliance with the Code of Ethics.
- Comply with certain restrictions on personal trading and submit required reports regarding personal trading.
- Follow preclearance and verification procedures to implement personal trading restrictions.

A copy of the Code of Ethics will be provided to any client or investor upon request.

Brokerage Practices

- Executing Brokers: AIS Capital Management has sole discretion to select brokers used for client transactions, other than when serving as a sub-adviser where the principal adviser or its clients have selected the brokers and as otherwise described below under “Broker-dealer and Third Party Referrals”. When selecting brokers and negotiating

commission rates, we are guided by the principal objective of seeking to obtain best execution for the accounts and Funds. Factors taken into consideration include, but are not limited to, the financial stability and reputation of the broker, and the quality of investment research, investment strategies and special execution capabilities.

- **Soft Dollar Benefits:** The term “soft dollars” refers to a means of paying brokerage firms or other third parties for products and services through commission revenue, based on the volume of brokerage commission revenues generated from securities transactions executed through brokers by an investment manager on behalf of advisory clients. AIS Capital Management does not engage in soft dollar relationships. However, AIS Capital Management may use full-service broker-dealers that provide research or other products or services to most or all of their customers, without being requested to do so, and AIS Capital Management may on occasion receive research provided by these broker-dealers. In these circumstances, AIS Capital Management may receive a benefit, if it finds such research useful, because it does not have to produce or pay for the research itself. AIS Capital Management’s receipt of such research does not have a material effect on its selection of broker-dealers, and AIS Capital Management does not select broker-dealers based on its interest in receiving the research or other products or services. Any research received, if used, is used for the benefit of all AIS Capital Management clients. AIS Capital Management does not direct client transactions to a particular broker-dealer in return for any soft dollar benefits, does not separately compensate broker-dealers for research and does not believe that it pays higher commissions in order to receive research or other products or services from, or at the expense of, broker-dealers.

Cross Trading and Principal Trades: AIS Capital Management does not cross trade amongst client accounts or Funds or between a client account or Fund and AIS Capital Management.

Trade Allocation: AIS Capital Management manages and trades multiple accounts, including those of the Funds for which it serves as general partner. If AIS Capital Management makes trading decisions for more than one account at or about the same time, the accounts may be competing for the same or similar positions. AIS Capital Management has instituted policies intended to ensure that available investments or opportunities for sales are allocated among clients in an equitable manner. AIS Capital Management will not knowingly or deliberately favor one account over any other account. Although the investments deemed appropriate for accounts advised by AIS Capital Management will vary based on multiple factors (including suitability, risk tolerance, designated asset allocation strategies, investment restrictions and other factors), AIS Capital Management will trade all similar accounts utilizing a particular strategy in an equitable manner.

Execution Fairness; Trade Aggregation: For particular clients, AIS Capital Management recommends investments that AIS Capital Management or its related persons also may have investments in. AIS Capital Management and its related persons will share in the same average price or net asset value as clients do, when buying or selling on the same day. All client orders are grouped together and are given the same average price. If average pricing is not available, AIS Capital Management may attempt to allocate

various share price allocations to each client with the goal of minimizing the variance of fills from the average execution price if feasible. Otherwise, AIS Capital Management will use a rotation method of execution so that over time accounts will be filled without favoring any particular account.

Broker-dealer and Third Party Referrals: When an account is introduced to us from a brokerage firm we often will be limited to trade with that firm. Under this scenario, a client will negotiate the brokerage fees and other fees with the broker and we will charge our management fees and if applicable, incentive fees, separately. These clients are not included in our average pricing but will be part of a rotation of orders with our other accounts which helps to achieve equitable execution timing for all of our accounts over time.

Trade Errors. AIS Capital Management uses its best efforts and experience when trading. AIS Capital Management does not represent that it will reimburse clients for trade errors. Rather, it is AIS Capital Management's policy generally not to reimburse a client for any clerical errors or mistakes of AIS Capital Management with respect to AIS Capital Management's placing trades for the client ("trade errors"), as such errors are considered by AIS Capital Management to be a cost of doing business. However, AIS Capital Management may be obligated to reimburse a client for a trade error caused by AIS Capital Management subject to the pertinent investment management agreement's standard of liability and exculpation of liability and indemnification provisions. AIS Capital Management, subject to its fiduciary obligations, will determine whether or not any trade error is required to be reimbursed in accordance with such liability and exculpation provisions. Any positive errors will be for the benefit of the client's account and not retained by AIS Capital Management.

Review of Accounts and Client Reports

AIS Capital Management's principals review accounts at least quarterly. AIS Capital Management encourages its clients to communicate any change in financial goals so that a review of allocations can be made. If AIS Capital Management believes a change in the economic environment warrants a change of allocation amongst a client's allocation to Funds and Domestic Partnerships, AIS Capital Management will contact the client for a discussion. Reports to clients include a portfolio appraisal as well a calculation of performance and a written commentary. Reports are delivered either monthly or quarterly, based on the investment product chosen.

AIS Capital Management provides limited partners in the Funds with quarterly statements of account containing unaudited financial information and with an audited annual report of financial condition.

Client Referrals and Other Compensation

AIS Capital Management generally does not pay for client referrals but may do so. As of the date of this brochure AIS Capital Management has engaged a cash solicitor to solicit managed

account business. Clients introduced by the solicitor pay a quarterly management fee equal to 1/4 of 1.5% of the value of the client's account, half of which is paid on to the solicitor. This arrangement is disclosed to, and consented to by, each solicited client prior to that client's entering into an advisory agreement with AIS Capital Management.

Custody

All client assets are held in custody by unaffiliated broker/dealers or banks; however, AIS Capital Management may have access to the Funds' accounts as it serves as the general partner of the Funds. Clients with individually managed accounts receive statements from the custodian as well as from AIS Capital Management and are encouraged to review such statements and to compare the account statements from the custodian with the statements from AIS Capital Management. Investors in the Funds do not receive statements from the custodian but instead, the Funds are subject to an annual audit and the audited financial statements are distributed to each investor within 120 days of the Funds' fiscal year-end.

Investment Discretion

AIS has complete investment discretion over all client accounts pursuing a specific strategy (including where AIS Capital Management is acting as sub-adviser) and the accounts of the Funds, subject to what is described in each strategy's offering materials. Clients allocating capital to Funds and Domestic Partnerships in consultation with AIS Capital Management finally approve the recommended allocation percentages and Fund(s) or Domestic Partnership(s).

Voting Client Securities

AIS Capital Management accepts the authority to vote client securities. In voting proxies, AIS Capital Management is guided by general fiduciary principles and its goal is to act solely in the best interest of its clients. AIS votes proxies in the manner that it believes is consistent with efforts to achieve a client's stated objectives, including maximizing portfolio values. AIS Capital Management follows procedures that are designed to identify conflicts or potential conflicts that could arise between its own interests and those of its clients. If it is determined that any such conflict or potential conflict is not material, AIS Capital Management may vote proxies notwithstanding the existence of the conflict. If it is determined, however, that a conflict of interest or potential conflict of interest is material, AIS Capital Management will seek a method to resolve such conflict before voting proxies affected by the conflict.

AIS Capital Management generally votes with the management of a company owned in a client portfolio. If a client wishes to hold a particular security and have AIS vote in a particular manner, we will follow the instructions given by that client and do not see any potential conflicts in doing so. We do not invest in companies when we don't trust the decisions of the company's management. We keep a record of every vote. If a client is interested, we can provide voting information to the client on a case by case basis.

Clients and investors in the Funds may request a copy of AIS Capital Management's proxy voting policies and procedures by contacting AIS.

Financial Information

AIS Capital Management does not require or solicit prepayment of fees, has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Part 2B of Form ADV The Brochure Supplement

AIS Capital Management LLC

187 Danbury Road
Suite 201
Wilton, CT 06897
www.aisgroup.com

John Robert Hummel

Updated February 16, 2012

This brochure supplement provides information about John Robert Hummel. It supplements AIS Capital Management LLC's accompanying Form ADV brochure, which you should have received. Please contact us at 203-563-1180 or info@aisgroup.com if you did not receive the Form ADV brochure, if you have any questions about the Form ADV brochure or this brochure supplement, or if you would like to request additional or updated copies of either document.

Biographical Information of John Robert Hummel

Year of Birth

1945

Educational Background and Business Experience

Mr. Hummel, President and Principal of AIS Capital Management LLC (“AIS Capital Management”), has 43 years of investment experience. Prior to the formation of AIS, Mr. Hummel was a partner of Cowen & Co. (1990-1993), a partner of Matuschka & Co. L.P. (1987-1990), and a managing director of Mitchell Hutchins Asset Management (1977-1987).

Mr. Hummel holds a B.S. degree in Investment Management from Northwestern University (1967).

Disciplinary Information

Mr. Hummel has not been involved in any legal or disciplinary events that would be material to a client’s evaluation of Mr. Hummel or AIS Capital Management.

Other Business Activities

Mr. Hummel also is President and Principal of AIS Futures Management LLC (“AIS Futures Management”), an affiliate of AIS Capital Management. Mr. Hummel’s involvement in the business activities of AIS Futures Management provides a substantial source of his income and involves a substantial amount of his time.

AIS Capital Management is a commodity pool operator (“CPO”) and AIS Futures Management is a CPO and a commodity trading advisor (“CTA”). Mr. Hummel is an associated person of each of these firms.

AIS Capital Management and AIS Futures Management each advise clients according to the respective firm’s particular investment strategies. AIS Futures Management is the general partner, CPO and CTA of investment pools that may be recommended to AIS Capital Management’s clients.

With respect to certain clients, AIS Capital Management allocates client assets amongst the AIS Capital Management and the AIS Futures Management strategies (together, the “AIS strategies”). Mr. Hummel has a conflict of interest when allocating client assets amongst AIS strategies that have differing fees. He resolves this conflict by allocating according to the investment goals, time horizons and individual risk tolerance of each particular client as determined by the client in consultation with AIS Capital Management. Investment allocations are never made on the basis of fees.

Additional Compensation

Mr. Hummel does not receive any economic benefit from any non-client for providing advisory services.

Supervision

Both John Hummel and Bradley Stern monitor the work and decisions of each other. Mr. Stern, Vice President of AIS Capital Management, is responsible for supervising Mr. Hummel's advisory activities on behalf of AIS Capital Management. Mr. Stern can be reached via telephone at 203-563-1180.

Part 2B of Form ADV The Brochure Supplement

AIS Capital Management LLC

187 Danbury Road
Suite 201
Wilton, CT 06897
www.aisgroup.com

Bradley C. Stern

Updated February 16, 2012

This brochure supplement provides information about Bradley C. Stern. It supplements AIS Capital Management LLC's accompanying Form ADV brochure, which you should have received. Please contact us at 203-563-1180 or info@aisgroup.com if you did not receive the Form ADV brochure, if you have any questions about the Form ADV brochure or this brochure supplement, or if you would like to request additional or updated copies of either document.

Biographical Information of Bradley C. Stern

Year of Birth

1966

Educational Background and Business Experience

Mr. Stern is Vice President and Principal of AIS Capital Management LLC (“AIS Capital Management”).

Prior to the formation of AIS, Mr. Stern worked with John R. Hummel (President and Principal of AIS Capital Management) at Cowen & Co. in the asset management department. Mr. Stern has been with AIS since its inception in 1993.

Mr. Stern holds a B.B.A. from Emory University (1988). Mr. Stern took classes in the NYU Stern School of Business MBA program for two years in finance and investments prior to leaving Cowen & Company in 1993.

Disciplinary Information

Mr. Stern has not been involved in any legal or disciplinary events that would be material to a client’s evaluation of Mr. Stern or AIS Capital Management.

Other Business Activities

Mr. Stern also is Vice President and Principal of AIS Futures Management LLC (“AIS Futures Management”), an affiliate of AIS Capital Management. Mr. Stern’s involvement in the business activities of AIS Futures Management provides a substantial source of his income and involves a substantial amount of his time.

AIS Capital Management is a commodity pool operator (“CPO”) and AIS Futures Management is a CPO and a commodity trading advisor (“CTA”). Mr. Stern is an associated person of each of these firms.

AIS Capital Management and AIS Futures Management each advise clients according to the respective firm’s particular investment strategies. AIS Futures Management is the general partner, CPO and CTA of investment pools that may be recommended to AIS Capital Management’s clients.

With respect to certain clients, AIS Capital Management allocates client assets amongst the AIS Capital Management and the AIS Futures Management strategies (together, the “AIS strategies”). Mr. Stern has a conflict of interest when allocating client assets amongst AIS strategies that have differing fees. He resolves this conflict by allocating according to the investment goals, time horizons and individual risk tolerance of each particular client as determined by the client in consultation with AIS Capital Management. Investment allocations are never made on the basis of fees.

Additional Compensation

Mr. Stern does not receive any economic benefit from any non-client for providing advisory services.

Supervision

Both Bradley Stern and John Hummel monitor the work and decisions of each other. The person responsible for supervising Mr. Stern's advisory activities on behalf of AIS Capital Management is Mr. Hummel, President of AIS Capital Management, who can be reached via telephone at 203-563-1180.