

BEACH HORIZON LLP

March 2012

This brochure provides information about the qualifications and business practices of Beach Horizon LLP. If you have any questions about the contents of this brochure, please contact us at +44 20 7382 2460 and/or marketing@beachhorizon.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. Our registration as an investment adviser does not imply a certain level of skill or training or that the SEC has endorsed our qualifications to provide the advisory services described in this brochure.

Additional information about Beach Horizon LLP also is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 Material Changes

There have not been any material change to our business to since our last annual update of our Form ADV in June 2011.

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Item 4 Advisory Business

Beach Horizon LLP is an investment adviser with its principal place of business in London, United Kingdom. Beach Horizon LLP is a limited liability partnership, which was first began trading as an independent company in March 2006 and has been registered with the SEC since March 2009. Our principal owners are David Beach, Sanjeev Lakhanpal and Paul Netherwood.

We provide investment advice and portfolio management services to private pooled investment vehicles, which are intended for sophisticated investors and institutional investors. We manage one main family of funds, which consists of one Cayman-domiciled master fund, one Cayman-domiciled feeder fund and one US-domiciled feeder fund (collectively, the “Beach Horizon Fund”). In addition, we also manage segregated managed accounts on behalf of institutional investors (collectively, with the Beach Horizon Fund, the “Investment Pools”). On behalf of the Investment Pools, we trade a portfolio of global derivatives, including, without limitation, commodities, futures, spot and forward contracts, swaps, options on the foregoing and other derivative instruments and for the Beach Horizon Funds, we may purchase U.S. treasury securities for cash management purposes. We do not provide advice with respect to any other types of investments and we do not engage in any other business.

We do not tailor the investment programme for individual clients, however consideration would be given to removing markets from the portfolio of a managed account for a client if they had, for example, religious or regulatory reasons for not wishing to trade them.

We do not participate in wrap fee programmes.

100% of the assets managed by us are managed on a discretionary basis. As at 1st March 2012, we have assets under management of approximately US \$810,600,000 in global derivatives, cash and US treasury bills.

Item 5 Fees and Compensation

We receive a monthly management fee which is based on the percentage of a client’s assets under management. This management fee is paid monthly in arrears. In addition, we may receive a performance fee, or with respect to the US-domiciled Beach Horizon Fund, an affiliate may receive a performance allocation, in each case paid or allocable quarterly in arrears or upon the withdrawal from an Investment Pool if as of any day other than the end of a quarter. We or an affiliate are entitled to a performance fee or performance allocation only if the cumulative profits which we achieve for a client exceed the prior highest amount of cumulative profits achieved for such client. The rate of the management fee is 2% annually and the rate of the performance fee or performance allocation is 20%. The rate of the management fee and performance fee or performance allocation may be negotiable either directly or through side letter agreements.

We may waive or modify the management fee and/or the performance fee or performance allocation for investors that are our employees or affiliates, relatives of such persons, and for certain large or strategic investors.

With respect to the Beach Horizon Funds, full details of the fees can be viewed in the relevant fund’s offering memorandum.

We send all clients an invoice for management fees and performance compensation due. Some clients choose to pay such invoices out of their brokerage accounts and others pay the invoice directly leaving the funds in the brokerage account unaffected.

In addition to management fees and performance fees or performance allocations, investors in the Beach Horizon Funds will receive the relevant fund's offering memorandum which sets forth all the fees and expenses of such fund. The following fees and expenses are also charged to the Beach Horizon Funds:

- organizational, initial offering and ongoing offering fees and expenses
- legal fees and expenses
- administration fees and expenses
- audit fees
- brokerage commissions, exchange fees, give-up fees, NFA fees, interest charges and related transactional fees and expenses
- cash management fees
- directors fees
- incidental administrative charges
- taxes
- indemnification payments and other extraordinary fees and expenses

In addition to management and performance fees, holders of separately managed accounts will also pay brokerage commissions, exchange fees, give up fees, NFA fees, interest charges and related transactional fees and expenses as well such account holders' own fees and expenses.

Please refer to Item 12 of this brochure for further discussion of our brokerage arrangements.

We do not require our clients to pay any fees in advance for our advisory services.

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

We or an affiliate receive performance-based fees or performance-based allocations from all of the Investment Pools which we manage. We do not manage any accounts that are charged another type fee.

Item 7 Types of Clients

Our clients consist of the Investment Pools which we manage.

The minimum investment conditions for each of the Investment Pools vary and are disclosed in the relevant fund's offering memorandum or investment management agreement.

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

We operate a fully systematic, trend-following futures programme that trades a highly diversified portfolio of global futures, currency and metals markets. The portfolio has a consistently high exposure to commodities (approximately 60%).

The programme uses a trend following model which looks for emerging trends. Price is the only input. Volume information is used for contract rolling.

Our investment strategies involve a substantial risk of loss and are only suitable for experienced investors who have an appropriate understanding of alternative investments.

Any person making an investment in a Beach Horizon Fund must be able to bear the risks involved and must meet the Beach Horizon Fund's suitability requirements. Some or all alternative investment programmes may not be suitable for certain investors. No assurances can be given that any Beach Horizon Fund's investment objectives will be achieved. Among the risks which we wish to call to the particular attention of persons receiving this Brochure are the following:

- Beach Horizon Funds are speculative and involve a substantial degree of risk.
- The Beach Horizon Funds are highly dependent on us and our judgment.
- Our trading involves substantial leverage.
- Growing competition may limit available opportunities.
- Beach Horizon Fund's performance may be volatile.
- The markets in which we trade may be illiquid and subject to trading limitations and speculative position limits.
- Our hedging transactions may not be successful or we may choose not to engage in hedging transactions.
- We may expand, revise or alter our trading strategies without prior approval by, or notice to, investors.
- The Beach Horizon Funds' fees and expenses are significant. Trading profits must be greater than such fees and expenses to avoid loss of capital.
- Beach Horizon Funds are not required to provide periodic pricing or valuation information to investors with respect to their individual investments.
- Trades executed for Beach Horizon Funds will take place on non-U.S. and U.S. markets.
- Our portfolio may be concentrated in a limited number of positions from time to time.
- Our portfolio turnover rate may be high entailing significant brokerage commissions and related transaction fees.
- Governmental intervention may affect the prices of the instruments we trade.
- A futures commission merchant's bankruptcy could adversely affect our funds and investors.
- Changes in law may alter, either prospectively or retroactively, the tax considerations or risk factors of an investment in a Beach Horizon Fund.
- Beach Horizon Funds may be subject to conflicts of interest including that:
 - we trade for other accounts and clients;
 - the performance based fees and allocations may create an incentive for us to make investments that are more speculative or subject to a greater degree of risk than if no such arrangement existed; and
 - when block orders are filled at different prices, we assign the executed trades on a systematic basis among all client accounts. Because we receive differing compensation from our clients, we may have a financial incentive to favor the accounts where our compensation is greater. We will not knowingly or deliberately favor one client account over another on an overall basis.

The risks and conflicts outlined above for the Beach Horizon Funds are also applicable to managed account clients. However managed account clients are able to negotiate certain terms such as withdrawal rights.

We trade a portfolio of global derivatives, including, without limitation, commodities, futures, spot and forward contracts, swaps, options on the foregoing and other derivative instruments and for the Beach Horizon Funds, we may purchase U.S. treasury securities for cash management purposes. We do not provide advice with respect to any other types of investments. Trading these instruments is speculative and is subject to a high degree of risk. Such trading is highly leveraged and prices can be volatile. Trading may be subject to speculative position limits and government intervention.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliations

We are registered with the Commodity Futures Trading Commission as a commodity trading advisor and commodity pool operator and are a member of the National Futures Association. The following management persons are also registered with the NFA:

Name	Title	Registration	Registration Number
David Beach	Partner	Principal and Associated Person	0217494
Sanjeev Lakhanpal	Partner and Head of Trading	Principal and Associated Person	0354205
Paul Netherwood	Partner	Principal and Associated Person	0354204
Alan Goulding	Manager	Principal and Associated Person	0354206
Edward Sutro	Investor Relations	Associated Person	0231332

We have a wholly-owned US-based subsidiary company, Beach Horizon Inc., which provides business development and brand promotion services. Beach Horizon Inc. is a member of the National Futures Association and is registered as a commodity trading advisor with the Commodity Futures Trading Commission.

We also own Beach Horizon (Cayman) Ltd., which acts as the general partner and commodity pool operator of the Beach Horizon Fund L.P. It has claimed an exemption from commodity pool operator registration under CFTC Reg. 4.13(a)(4). The fact that our affiliate serves as general partner of this fund creates an incentive for it to select us as the fund's trading advisor thereby increasing the compensation payable to us. However, this affiliation was disclosed to investors in the fund prior to their investments.

We do not recommend or select other investment advisers for our clients.

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

We have adopted a Code of Ethics (the "Code") that obligates us and our personnel to put the interests of the Investment Pools before our own interests. All of our personnel are also required to comply with

all applicable law, rules and regulations as well as internal processes and procedures. Investors or prospective investors may obtain a copy of the Code by contacting our marketing team by email at marketing@beachhorizon or by telephone at +44 (20) 7382 2460.

Neither we nor a related person recommends to clients, buys or sells for client accounts, securities in which we or any related person has a material financial interest.

Incidental investments may be made from time to time by our partners and/or employees in securities which may also be traded by the Investment Pools, but all such personal account trading must be carried out in accordance with our Personal Account Dealing policy which is summarized below.

It is integral to the culture of Beach Horizon that the interests of Beach Horizon and those of the clients of Beach Horizon are to be as far as possible the same. Conflicts of Interest should be avoided. Due to the nature of instruments traded by Beach Horizon, the risk of any such conflict arising is currently minimal.

1. We do not trade equities and for the instruments that are traded, the lot sizes are not of the magnitude that could be market moving. As such, personal trading activity poses limited risk of disadvantaging the interests of our customers.
2. Employees are however required to provide the Compliance Officer full details of any trading accounts held.
3. For all personal dealing activities, employees are required to provide a copy of the contract note to the Compliance Officer.
4. An annual written notice to each employee, the contents of which are made a term of their contract of employment and which details the restrictions and the basis on which employees may undertake personal account transactions, will be drawn explicitly to the attention of each employee. The written notice also states that if an employee is precluded from entering into a transaction for his own account he must not (except in the proper course of his employment):
 - Procure any other person to enter into such a transaction, or
 - Communicate any information or opinion to another person if he knows or ought to know, that the person will, as a result, enter into such a transaction, or counsel or procure some other person to do so.
5. These procedures and restrictions apply to each employee and connected persons (e.g. spouses and children living in the same household), unless we take reasonable steps to determine that the employee will not be involved to any material extent in, or have access to information about our investment business. The basis upon which we decide that the rules will not be applicable must be recorded. The requirements can generally be waived for non-executive directors. If in doubt about their application in any particular situation, you should refer to the Compliance Officer.
6. Unless a waiver has been granted under 5, above, the prior consent of the Compliance Officer or a Partner is required for all personal accounts which trade in any of the following products: futures, options, commodity forwards and swaps. No other director or employee may approve a personal account transaction.
7. Prior consent must be sought using the PA Dealing Notification Form, which must be signed, by both the employee and the person approving the transaction.
8. A copy of the PA Dealing Notification Form, if required, and a copy of the contract note must be provided to the Compliance Officer as soon as reasonably practicable.

9. For any other transaction involving a designated investment not listed under 5 above pre-approval is not required. A copy of the contract note is, however, still to be provided to the Compliance Officer as under 3, above.
10. In the event that the sphere of instruments traded by us should change, this policy will be reviewed.
11. Exceptions to the above requirements and restrictions may be granted under exceptional circumstance on a case-by-case basis but only where there would be no possible conflict with the interests of the Investment Pools.
12. For the avoidance of doubt, the above procedures apply in relation to transactions in all forms of “designated investment” as defined in the FSA Handbook.

Item 12 Brokerage Practices

As investment manager, we have the authority to determine which broker-dealers are used for trade execution for the Investment Pools.

We consider a number of factors in selecting a broker-dealer for the execution of transactions and determining the reasonableness of the broker-dealer’s compensation. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer’s compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is our practice to negotiate “execution only” commission rates, thus we do not enter into commission sharing arrangements or “soft commissions”.

In order to seek best execution for the Investment Pools which we manage, orders may be aggregated. Pre-trade aggregation and post-trade allocation of executed orders occurs by means of an automated process, using a mathematical algorithm and having zero manual input or discretion.

It is a regulatory requirement that the allocation process is prompt, with no preference given to any one party and that the order is allocated at the price paid for the investment.

By undertaking trade aggregation, we are able to reduce transaction costs for the Investment Pools.

Item 13 Review of Accounts

The Investment Pools’ portfolios are reviewed daily by members of our Investment Committee consisting of David Beach, Sanjeev Lakhanpal, Paul Netherwood and Alan Goulding. For each Investment Pool, the Investment Committee reviews all positions, trading activity, margin requirements, risk parameters such as the fund gearing and volatility and perceived exogenous risk factors like political situations, counterparty risk situations and operational risks.

Investors in the Beach Horizon Funds receive the following written reports:

- daily estimates of the relevant fund’s net asset value may be provided by a third party risk manager;
- monthly newsletters for the fund(s) provided by us;
- a monthly statement of account provided by the fund’s qualified custodian; and
- annual audited financial statements of the fund

Investment Pools which are managed accounts also receive our monthly newsletter and such other reports as we and the holders of such managed accounts may agree to from time to time.

Item 14 Client Referrals and Other Compensation

We do not receive an economic benefit from any third parties in return for providing investment advice or other services to the Investment Pools.

Neither we nor a related person directly or indirectly compensates any person who is not one of our supervised persons for client referrals.

Item 15 Custody

The qualified custodians of the Beach Horizon Funds send investors in such funds monthly statements. Investors should carefully review their monthly account statements and should also carefully review all reports received from us and compare them to their monthly account statements. All investors in the Beach Horizon Funds receive annual financial statements audited by an independent accounting firm.

Item 16 Investment Discretion

We have discretionary management authority on behalf of the Investment Pools. The investment process is entirely quantitative and process driven and we do not generally accept investment instructions or limitations on its investment authority from individual investors. Consideration would however be given to removing markets from the portfolio of a managed account for a client if they had, for example, religious or regulatory reasons for not wishing to trade them.

Prior to assuming full discretion in managing assets, we enter into an investment management agreement or other agreement that sets forth the scope of our discretion.

Item 17 Voting Client Securities

We do not engage in proxy voting as none of the instruments which we trade carry any voting rights. Therefore, we do not have a proxy voting policy.

Item 18 Financial Information

This item is not applicable as we do not require prepayment of advisory fees in advance.

While we do have custody of client funds and securities, there are no financial conditions that are reasonably likely to impair our ability to meet contractual commitments to our clients.

We have not been the subject to any bankruptcy petition during the past ten years.