

FGS Capital LLP

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This Brochure provides information about the qualifications and business practices of FGS Capital LLP ("**FGS**"). If you have any questions about the contents of this Brochure, please contact FGS's Chief Compliance Officer ("CCO"), Giovanni Beliossi at +44 207 4512108 or by email at gbeliossi@fgscapital.com. Additional information about FGS is also available on the SEC's website at www.adviserinfo.sec.gov. 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.

Registration of an investment adviser does not imply that FGS or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Item 2: Material Changes

Material changes since our last Form ADV Part 2A filing includes:

- Termination of the Managed Accounts in June 2011.
- FG Advisory Ltd was registered as a CF 4 (Partner) with the UK Financial Services Authority in July 2011.

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Item 4: Advisory Business

FGS Capital LLP (“**FGS**” or the “**Firm**”) is an investment adviser with its principal place of business in London, UK. FGS commenced operations as an investment adviser on August 5, 2003. FGS provides investment management services to the following privately pooled investment vehicle:

- DIAMAN Sicav (the “**Client**”), an open-ended investment company organized under the laws of the Grand Duchy of Luxembourg as a "Société d'Investissement à Capital Variable",

FGS provides advice to the Client based on specific investment objectives and strategies. FGS does not tailor advisory services to the individual needs of investors (“**Investors**”) in the Client.

Giovanni Beliossi, Jogi Narain, and Peder Smedvig Capital AS are the majority owners of the Firm as of March 31, 2012.

As of Dec 31, 2011, the Firm managed US\$ 30 million in the Client, all of which is managed on a discretionary basis.

Item 5: Fees and Compensation

Pursuant to the offering documents and advisory agreements, FGS generally receives a monthly management fee at an annual rate ranging from 1.0 % to 2.5%.

Fees are deducted from the Investors’ accounts by instructing the Client’s custodian. The Client shall pay for their organizational and initial offering expenses as well as for their operating expenses, including but not limited to, all accounting, auditing, tax preparation, legal, administration, research, and trading costs. The Client may incur brokerage and other transaction costs. For further details on the Firm’s brokerage practices refer to Item 12 of this Brochure.

FGS and its employees do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

The Firm receives a performance allocation with respect to the Client. It is calculated based upon a percentage of the net capital appreciation of the Client. The performance allocations are charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”).

Net asset value includes net realized and unrealized profits and losses. Net profits are calculated net of management fees, but before the performance fee allocation.

Performance based fee arrangements may create an incentive for FGS to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an

incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. FGS has procedures designed and implemented to ensure that our client is treated fairly and equally, and to prevent conflict from influencing the allocation of investment opportunities.

Item 7: Types of Clients

Investors in the Client consist primarily of institutional investors, funds of funds, family offices, insurance companies, and endowments.

The minimum initial investment for the Client is as follows:

DIAMAN Sicav	EUR 100 – EUR 25,000,000 (or USD 142 – USD 35,505,000)
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Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis & Investment Strategy

DIAMAN Sicav

The objective is to obtain a good risk-adjusted return offered by stock market using a systematic methodology based on the use of call and put options and index futures as well as a selection of stocks that reply the market index quantitative investment process for the selection of stocks with positions having a market-neutral approach.

The principal main characteristics of the investment strategy are:

- main investment in liquid assets and government bonds,
- exposure to long or short positions through the use of financial derivative instruments representing stocks, indexes or currencies and CFD contracts (Contracts for difference traded over-the-counter (OTC) or on a listed market), based on the Investment Adviser's quantitative models.

Short positions will be undertaken via the use of derivatives (such as CFDs) traded OTC or on a listed market to enable the Firm to sell a stock, sector or general index.

CFDs are OTC financial contracts and are used to gain exposure to fluctuations (positive or negative depending on the direction of the transaction) in stocks, baskets of stocks or indices, without the need to own or borrow the underlying financial instruments.

These transactions constitute an arbitrage technique used to reduce the exposure to market risk or to a specific sector risk. The risk generated by one or more exposures to a downturn in share prices must not be viewed in isolation but should be considered in the context of the overall portfolio and similar securities held in long positions. The risk associated with a sale of securities in this context is not absolute, but should always be considered as a relative risk.

To implement the investment policy and achieve the investment objective it is anticipated that the derivatives, such as CFDs will be entered into with top-rated financial institutions specializing in such transactions.

This Fund will invest in a mixed portfolio composed of both equities and equity-related securities as well as financial derivative instruments representing stocks and stock indexes, money market instruments, medium and long term deposits, bonds and debt securities. The portion of the portfolio which will be invested in equities and equity-related securities including long and short positions may represent up to 50% of the net assets. This Fund will focus on transferable securities and money market instruments issued by issuers domiciled in or deriving a significant part of their revenues from Europe.

Investments in transferable securities and money market instruments issued by other issuers are allowed as long as they do not exceed 70% of the portfolio value.

This Fund will attempt to protect the invested capital from adverse fluctuations of the market by the mean of hedging at least part of the portfolio with index futures and options, single stock options and single stock futures.

This Fund may invest up to 10% of its net assets in UCITS and/or other UCIs.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees charged both to this Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If this Fund invests in shares or units of UCITS or UCIs managed by the promoter's group or the Firm, no subscription or redemption fees will be charged for investments by this Fund into other investment funds of the promoter's group or the Firm.

On an ancillary basis, this Fund may hold liquid assets such as cash and short-term deposits. Notwithstanding the above provisions and if justified by exceptional market conditions, this Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt on a regulated market and whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, this Fund will comply with the investment restrictions and the principle of risk spreading set forth in the offering documents. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of this Fund's net assets; term deposits and liquid assets held by any counterparty including the custodian bank may not exceed 20% of this Fund's net assets.

Risk of Loss Factors

Investing in securities involves risk of loss that Investors should be prepared to bear. Investors should consider the following factors before investing in our Client. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Client. Prospective Investors are urged to consult their professional advisers and review the legal documents for each particular Fund before deciding to make an investment in a Fund.

DIAMAN Sicav

The investments within this Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objective of this Fund will be achieved.

Investing in equity securities may offer a higher rate of return than those in short term and long term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value.

Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

As this Fund will pursue a sophisticated investment strategy, the Firm's risk management will use an approach based on Value at Risk ("VaR"), taking into consideration all the sources of global exposure (general and specific market risks), which might lead to a significant change in the portfolio's value.

The purpose of a VaR model is the quantification of the maximum potential loss which might be generated by this Fund's portfolio in normal market conditions. This loss is estimated parametrically on a 30-day horizon with a 99% confidence interval. The Firm's risk management will complete this approach with stress tests, in order to quantify the risks associated with possible abnormal market movements.

On the basis of the analysis of the of the investment policy and given risk profile, the Firm's risk management has fixed an absolute VaR observing the related regulatory limit.

The value of the shares may fall as well as rise and a shareholder on transfer or redemption of shares may not get back the amount he or she initially invested. Income from the shares may fluctuate in money terms and changes in rates of exchange may cause the value of shares to go up or down. The levels and basis of, and reliefs from, taxation may change. There can be no assurance that the investment objective of this Fund will be achieved.

Item 9: Disciplinary Information

This Item is not applicable.

Item 10: Other Financial Industry Activities and Affiliations

This Item is not applicable.

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

Participation or Interest in Client Transactions

We serve as the investment adviser to our Client. Employees, affiliates of the employees, and relatives of the employee may make investments in the Client. We may or may not receive any compensation from such investments from employees.

We and our affiliates and employees have a financial interest in the Client through an incentive allocation or a direct investment interest in the Client. As such, we could be considered to have recommended to Investors that they buy or sell securities or investments in which the Firm or a related person has some financial interest.

Code of Ethics & Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics and an Employee Investment Policy that establish various procedures with respect to investment transactions in accounts in which our employees or related persons have a beneficial interest or accounts over which an employee has investment discretion.

In general, employees (and members of their immediate households) are permitted to invest in equities, options or futures but must obtain written pre-approval from the CCO. The spirit of the Code of Ethics and the Employee Investment Policy is to discourage frequent trading in employee personal accounts. In addition, employees may not acquire securities for their own account in an initial public offering. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private placements.

All of our employees must direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

These policies apply to any personal transactions involving equity, debt, options, or futures. This policy does not apply to transactions involving government securities or open-end mutual funds, exchange traded funds (ETFs) or other instruments which afford the investor no discretion over individual securities transactions.

Our Code of Ethics and Employee Investment Policy are available upon request.

Item 12: Brokerage Practices

As an adviser and a fiduciary to our Client, we require that our Client's interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the Fund's favor. We have adopted the following policies and practices to meet the Firm's fiduciary responsibilities and to ensure our trading practices are fair to the Client and that is no advantage or disadvantage for the client.

Aggregation

The aggregation or blocking of client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to Client. Our policy is to aggregate Client transactions where possible and when advantageous to the Client. In these instances, any Client participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

Allocation

Our policy prohibits any allocation of trades in a manner that our proprietary accounts, affiliated accounts, or any particular Client or group of Clients to receive more favorable treatment than other Clients (should there be multiple Clients).

Best Execution

As an investment advisory Firm, we have a fiduciary duty to seek best execution for client transactions. As a matter of policy and practice, we seek to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances.

Principal Trading

Our policy and practice is to not engage in any principal transactions.

Soft Dollars

We may use “soft dollars” generated by the Client’s trading activities to purchase research services or products that would otherwise have been an expense of the Firm. We intend to keep any such arrangements within the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Item 13: Review of Accounts

Review of Accounts

The Client managed by the Firm is reviewed on a daily basis by Giovanni Beliossi to assure conformity with investment objectives and guidelines.

Reporting

As soon as practicable after the end of each year, FGS will distribute an audited financial report for the Client (not including the Mutual Fund) with respect to the previous fiscal year to all Investors in the US within 120 days of year-end. In addition, the Client will generally distribute net asset value updates and performance reports with attribution analysis periodically, as agreed with the Investors.

Item 14: Client Referrals and Other Compensation

FGS may enter into fee sharing arrangements with third party marketers who refer prospective Investors to the Client. Such marketers may be paid a portion of the management performance fees earned by FGS from the referred investor, the amount of which is subject to negotiation. Such third party marketers may have a conflict of interest in advising prospective Investors whether to purchase or redeem their interests in the Client.

Investors who are referred to FGS via a paid referral will receive a disclosure statement from the referring marketer and/or FGS regarding the potential conflict of interest. FGS will comply with Section 206(4)-3 of the Advisers Act in connection with any investor referrals by third parties.

We do not currently provide advice to parties other than the Investors in the Client. The Firm also does not provide other advisory services to the Investors in the Client.

Item 15: Custody

The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of client funds or securities. The Rule requires advisers that have custody of client securities or funds to implement a set of controls designed to protect those client assets from being lost, misused, misappropriated or subject to financial reverses.

Advisers with custody of client funds and securities must maintain them with “Qualified Custodians.” “Qualified Custodians” under the amended rule include banks and savings associations and registered broker-dealers.

FGS does not maintain direct custody or possession of any of the Client’s funds or securities. FGS currently uses Banque Degroof Luxembourg as the custodian for its Client. Through this arrangement the custodian will provide among other things, clearing, custodial and record keeping services.

Investors in FGS’s Client will receive account statements from the qualified custodian and should carefully review those statements.

Annually, upon completion of the Client’s annual audit (not including the Mutual Fund), FGS will distribute the audited financials along with copies of its Privacy Notice and ADV Part 2. Audited financials may be available at the registered office of the Client if so detailed in the relevant Client prospectuses.

FGS shall use best efforts to ensure that Client’s audited financials are delivered to all Investors within 120 days of the fiscal year end.

Item 16: Investment Discretion

FGS possesses discretionary portfolio management authority over the Client with respect to asset allocations and direct investments as per the advisory agreements and offering documents in place.

FGS has the authority to determine (i) the securities to be purchased and sold for the Client (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Client.

Item 17: Voting Client Securities

To the extent FGS has been delegated proxy voting authority on behalf of its clients, FGS complies with its proxy voting policies and procedures that are designed to ensure that in cases where FGS votes proxies with respect to client securities, such proxies are voted in the best interest of the Clients. The Investors in the Fund may not direct voting of proxies.

Upon request, we will provide an Investor with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by the Client.

Item 18: Financial Information

This Item is not applicable.