

Item 1. Cover Page

Brochure of

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This brochure provides information about the qualifications and business practices of Universa Investments L.P. (“Universa”). If you have any questions about the contents of this brochure, please contact us at contact@universa.net or (310) 566-5560. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

Item 2. Material Changes

This Brochure amends Universa’s brochure dated March 31, 2011. The following material changes have occurred after that date. Universa launched three new “Macro Tail” investment funds as described in Items 7 and 8 below. Universa also updated its policies and procedures with respect to its personal trading policy, as described in Item 11 below, and its cross trading policy, as described in Item 12 below.

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Item 4. Advisory Business

Universa is a Delaware limited partnership that has been in business since 2007. It serves as the investment adviser to investment limited partnerships (for which Universa affiliates serve as general partners) and other clients. Universa's President, Chief Investment Officer and principal owner is Mark W. Spitznagel. Universa's general partner is Universa LLC, a Delaware limited liability company of which Mr. Spitznagel is the sole manager and principal owner. As of January 31, 2012, Universa had total discretionary assets under management of approximately \$40,998,347. This amount is based on a daily estimate of the capital at risk in each client account (plus excess cash), which is a function of Options Clearing Corporation ("OCC") and exchange minimum margin and risk requirements. The ratio of margin to notional amount (representing hedged assets) fluctuates daily, and ranges from approximately 1 to 5%. For the Universa Black Swan Protection Protocol, Asymmetry Offshore II and Universa Premium strategies, however, Universa charges its management fees based on the notional amounts of protection of the accounts using those strategies. Universa only manages assets on a discretionary basis.

Universa provides investment advice and management to private investment funds and other separately-managed accounts. Items 5, 6 and 7 include information about Universa's compensation and liquidity terms of the funds that Universa manages or intends to manage. Item 8 includes a brief summary of the investment objectives and strategies of each investment fund. The investment objectives and strategy of each investment fund and other information material to an investment decision regarding each such fund is disclosed in full in each fund's confidential offering circular or private offering memorandum, and the information contained herein is qualified by such offering materials. Universa may choose to manage additional funds or cease managing these funds in the future.

The investors in the funds that Universa manages have no opportunity to select or evaluate any fund investments or strategies. Universa selects all fund investments and strategies.

Universa typically does not tailor its services to the individual needs of individually managed accounts, but manages each such account according to the strategy selected by the client. Universa's discretionary authority is limited, however, as described in Item 16.

Item 5. Fees and Compensation

Universa is an SEC-registered adviser that delivers this brochure only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. Therefore, information on how Universa is compensated for its advisory services and its fee schedule are not included here.

Payment of Fees on Termination of an Account or a Fund Investor's Withdrawal or Redemption

Relationships with Universa's investment partnership clients are terminable on expiration of the partnership's term, dissolution of the partnership or on withdrawal of the partnership's general partner.

Fund investors typically may withdraw or redeem from a fund, on specified prior written notice, on the last day of any calendar month. For the Asymmetry funds (as defined in Item 8), the withdrawal/redemption date must occur on or after the day immediately before the first anniversary of that investment, provided that if an investment is withdrawn/redeemed on or after the day immediately before the first anniversary and prior to the day before the second anniversary of the date of that investment, the fund will charge a fee of 3% of the amount withdrawn/redeemed.

Except as may be otherwise negotiated in particular cases, a client may terminate an individually managed account by giving 90 days' written notice.

In all cases, expenses, the pro rata portion of the management fee and the performance allocation or fee through the date of termination are charged to the account.

General Information for all Investors and Clients

Universa typically deducts management fees and performance allocations and fees directly from client accounts.

Universa (directly, or through one of its affiliates or a fund's administrator or prime broker) may provide certain investors and clients more frequent or more detailed reports of a particular fund's or account's portfolio holdings or performance, special fee and allocation arrangements, and special withdrawal and redemption rights that it does not provide to other investors or clients. Universa may waive all or any portion of the management fees or performance-based fees or allocations with respect to any investor or client. Universa intends to do so for certain employees and independent contractors of Universa or its affiliates and certain persons with whom Universa or its affiliates have close personal or business relationships and their families.

Universa complies with Rule 205-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law. Universa believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees than those charged by Universa.

Each account is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. Universa bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by securities brokerage firms and futures commission merchants that execute clients' securities trades, as discussed in Item 12 below.

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

Universa currently manages only accounts that pay performance-based compensation as described in Item 5. It does not manage accounts that do not pay performance-based compensation.

Item 7. Types of Clients

Universa provides investment advice to investment funds and separately managed accounts.

Universa and the funds for which it is the investment adviser generally require the following minimums for investors investing in those funds:

Universa BSPP and BSPP-Inflation Funds: \$50,000,000 (notional amount)

Universa Asymmetry I Funds: \$5,000,000

Universa Asymmetry II Funds: \$5,000,000 (notional amount for Asymmetry Offshore II)

Universa Premium Funds: \$5,000,000 (notional amount)

Universa Macro Tail Funds: \$5,000,000

Universa's separate account clients may include high-net-worth individuals, institutions, trusts, endowments and pension plans. Universa generally requires a minimum investment (or notional amount) of \$50,000,000 to open an individually managed account.

Universa or the funds that it manages may waive these minimums in their discretion.

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

Investment Strategies

"BSPP" Funds

Universa is the investment adviser to a series of Delaware limited partnerships called the Universa Black Swan Protection Protocol U.S.-based funds and a series of Cayman Islands companies called the Universa Black Swan Protection Protocol offshore funds. Each investor in a BSPP fund specifies a "notional amount" that it desires to be protected from market shocks and generalized market crashes. There is no assurance that any BSPP fund will achieve the desired returns.

Each fund has significant flexibility to invest in and trade securities. Such securities may include, but are not limited to, equity and equity-related securities, futures, options on futures, other commodity interests, preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps and other derivative instruments, bonds and other fixed income securities, non-U.S. securities, non-U.S. currencies, private securities, cash, money market instruments and other cash equivalents. Each fund also engages in short selling, margin trading, hedging and other investment strategies.

While Universa has significant flexibility to invest the funds' assets, Universa typically focuses on liquid asset classes that can be sensitive to market shocks and generalized market crashes, including securities in which Universa believes it has a transactional advantage, such as futures and options on indices, futures and options on single stocks, interest rate products, currencies, derivatives on credit instruments and derivatives on hedge fund returns.

“BSPP-Inflation” Funds

Universa is the investment adviser to a series of Delaware limited partnerships called the Universa Black Swan Protection Protocol-Inflation U.S.-based funds and is the investment adviser to a series of Cayman Islands companies called the Universa Black Swan Protection Protocol-Inflation offshore funds. Each investor in a BSPP-Inflation fund specifies a “notional amount” for which it desires the BSPP-Inflation fund to attempt to generate a significant return conditioned on specified changes in the year-over-year percentage change in the consumer price index (or other specified benchmark). There is no assurance that any BSPP-Inflation fund will achieve the desired returns.

Each fund has significant flexibility to invest in and trade securities. Such securities may include, but are not limited to, options on commodities and futures, options on fixed-income securities, options on equity-related securities and indices and options on currencies. Such options may include (but not be limited to) covered and uncovered puts and calls and over-the-counter options. Each fund also invests in equity and equity-related securities, futures, other commodity interests, bonds and other fixed income securities, preferred stocks, convertible Securities, warrants, rights, swaps and other derivative instruments, non-U.S. securities, non-U.S. currencies, private securities, cash, money market instruments and other cash equivalents. Each fund also engages in short selling, margin trading, hedging and other investment strategies.

While Universa has significant flexibility to invest the funds’ assets, Universa typically focuses on liquid asset classes that can be sensitive to increases in the CPI, including securities in which Universa believes it has a transactional advantage, such as options on commodities and futures, options on fixed-income securities, options on equity-related securities and indices, and options on currencies.

“Asymmetry” and “Premium” Funds

Universa is the investment adviser to Universa Asymmetry Fund L.P. (“Asymmetry US I”) and Universa Asymmetry Fund II L.P. (“Asymmetry US II”), each a Delaware limited partnership, and Universa Asymmetry Offshore Fund Ltd. (“Asymmetry Offshore I”) and Universa Asymmetry Offshore Fund II Ltd. (“Asymmetry Offshore II”), each a Cayman Islands company. Asymmetry US I and Asymmetry Offshore I both are “feeder” funds that invest substantially all of their assets in Universa Asymmetry Master Fund L.P., a Cayman Islands limited partnership (“Asymmetry Master I”). Asymmetry US II and Asymmetry Offshore II both are “feeder” funds that invest substantially all of their assets in Universa Asymmetry Master Fund II L.P., a Cayman Islands limited partnership (“Asymmetry Master II”). Universa also is the investment adviser to Asymmetry Master I and Asymmetry Master II. Each of Asymmetry Master I and Asymmetry Master II, in turn, invests a portion of its assets in Universa Premium Master Fund L.P. and Universa Premium Master Fund II L.P., respectively, each a Cayman Islands exempted limited partnership for which Universa is the investment adviser. Universa Premium Master Fund II L.P. also accepts investments from other Universa funds and direct investors. Universa also is the investment adviser to Universa Premium Fund III Ltd., a Cayman Islands exempted company that follows the same strategy as Universa Premium Master Fund L.P. and Universa Premium Master Fund II L.P.

Universa attempts to generate positive returns for the funds' investors over the long term (regardless of the general market environment) through the strategies that it employs within Asymmetry Master I and Asymmetry Master II, Universa Premium Master Fund I L.P., Universa Premium Master Fund II L.P. and Universa Premium Fund III Ltd. Universa believes that the funds are more appropriate for investors with a long-term investment horizon. There is no assurance that the funds will achieve their desired returns.

Each of Asymmetry Master I and Asymmetry Master II generally attempts to profit from significant declines in the S&P 500 Index during a particular month on the portion of its capital that is devoted to that strategy (the remaining portion not held in cash or cash equivalents is invested in the Universa Premium Master Fund I L.P. and Universa Premium Master Fund II L.P.). As noted above, Asymmetry Master I and Asymmetry Master II attempt to profit from market declines that take place during a single calendar month. If the market declines over a more prolonged period of time, it is possible that the funds will not generate any profits and may incur significant losses.

The Universa Premium funds invest in and trade principally, but not solely, publicly-traded equity call options, the securities underlying those options, U.S. Treasury notes, short-term U.S. Treasury bills, cash and cash equivalents. The funds also engage in short selling, hedging and other investment strategies. Universa selects the funds' investments based on Universa's proprietary quantitative measures.

Each fund has significant flexibility to invest in and trade securities. Such securities may include, but are not limited to, equity and equity-related securities, preferred stocks, convertible securities, warrants, rights, options), swaps and other derivative instruments, bonds and other fixed income securities, non-U.S. securities, non-U.S. currencies, futures, options on futures, other commodity interests, private securities, cash, money market instruments and other cash equivalents. These funds also engage in short selling, margin trading, hedging and other investment strategies. Universa selects the funds' direct investments based on its proprietary quantitative measures.

While Universa has significant flexibility to invest the funds' assets, Universa typically focuses on liquid asset classes that can be sensitive to market shocks and generalized market crashes, including securities in which Universa believes it has a transactional advantage, such as futures and options on indices, futures and options on single stocks, interest rate products, currencies, derivatives on credit instruments and derivatives on hedge fund returns.

“Macro Tail” Funds

Universa is the investment adviser to Universa Macro Tail Fund L.P., a Delaware limited partnership, and Universa Macro Tail Fund Offshore Ltd., a Cayman Islands exempted company. These funds both are “feeder” funds that invest substantially all of their assets in Universa Macro Tail Master Fund L.P., a Cayman Islands exempted limited partnership (“MT Master”). Universa also is the investment adviser to MT Master.

Universa believes that these funds are appropriate for investors with a long-term investment horizon. There is no assurance that the funds will achieve their desired returns.

MT Master has significant flexibility to invest in and trade securities. Such securities may include, but are not limited to, equity and equity-related securities, futures, options on futures, other commodity interests, preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps and other derivative instruments, bonds and other fixed income securities, non-U.S. securities, non-U.S. currencies, private securities, cash, money market instruments and other cash equivalents. MT Master also engages in short selling, margin trading, hedging and other investment strategies. Universa selects MT Master's direct investments based on its proprietary quantitative measures.

While Universa has significant flexibility to invest MT Master's assets, Universa typically focuses on convex investment positions that benefit from sudden and significant inflation, sudden significant equity rallies, and declines in general securities markets. Some of these positions may include options and futures on underlying securities and commodities that are affected by changes in equities, bonds, crude oil, precious metals, agriculture and food stuffs. Such positions are typically negatively affected by price declines and stability in those underlying investment areas.

For All Clients and Investors

The investment strategies summarized above represent Universa's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which Universa may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Universa may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, Universa may pursue any objectives or use any techniques that it considers appropriate and in its clients' interests.

Risk Factors

Investing in securities involves risk of loss that clients and investors should be prepared to bear. Below are brief summaries of some of the risks that clients and investors should consider before investing in any account that Universa manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause clients and investors to lose substantial amounts of money. Potential investors in a fund should review such fund's offering circular or private offering memorandum carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. A potential client or investor should discuss with Universa's representatives any questions that such person may have before opening an account or investing in a fund.

Risk Factors Applicable to Clients and Fund Investors

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.

- Universa may use leverage by borrowing on margin, selling securities short and trading futures, other commodity interests and derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Universa may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Any gain or loss from the sale or exercise of an option is reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.
- Universa's client accounts trade exchange-traded and over-the-counter derivatives, including, but not limited to, futures, options, forwards, swaps, contracts for differences and other interests. Trading in these instruments is highly speculative and may entail risks that are greater than those of investing in other securities. These instruments can be highly volatile and expose investors to a high risk of loss.
- Universa trades extensively in futures contracts (and options on futures). Futures positions may be illiquid. Most U.S. commodity exchanges limit fluctuations in certain futures contract prices during a single day. Such position limits may affect Universa's ability to maintain positions or prevent liquidation of positions, which could adversely affect clients.
- Universa uses derivative instruments, such as swaps, participation notes, equity swaps, and zero strike calls and warrants, to gain economic exposure (whether long or short) to a particular underlying security. Universa cannot control when a derivative transaction will be terminated. Any such termination may occur at a time that is disadvantageous to a client and may adversely affect the client or investors.
- There is no exchange market on which to close out an open swap position or other derivative transaction. A client could experience losses and delays in closing a derivative transaction. The occurrence of any such event could subject a client or investor to substantial losses.
- Forward contracts and options thereon are not traded on exchanges and are not standardized. Forward and "cash" trading is substantially unregulated. Disruptions can occur in any market in which the fund trades due to unusually high trading volume, political intervention or other factors. Any such market illiquidity or disruption could adversely affect a client.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Universa does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.

- Universa may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.
- Universa may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include: political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- Universa may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Universa also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- Universa may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.
- Universa may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Universa is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit, or increase loss.
- Universa sells securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. Universa could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.

- Universa may acquire for a client a large position in an issuer's securities but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if Universa holds a large position in an issuer's securities, it could depress the market for those securities.
- Some of an account's positions may be or become illiquid, in which case Universa may not be able to sell such positions.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which a fund has invested may cause significant losses.
- Universa determines the value of securities and commodities held in client accounts, whether or not a public market exists for such instruments. If Universa's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- The client and not Universa is responsible for any trade errors that Universa makes in an account, even when the error hurts the client.
- Universa and its affiliates and agents generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in such loss breached Universa's fiduciary duty to the client or investor.
- If the assets that Universa and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Universa to find attractive investments as the amount of assets that it must invest increases.
- No client or investor has been represented by separate counsel. The attorneys who represent Universa or its general partner do not represent clients or investors. Clients and investors must hire their own counsel for legal advice and representation.
- Universa, an administrator or any government agency may freeze assets that any of them believes a client or investor holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of Universa, a fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time

and resources that Universa must devote to regulatory compliance, to the detriment of investment activities.

- Universa is not registered with the SEC as a broker-dealer, or with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator, although Universa is registered with the SEC as an investment adviser and with the CFTC as a commodity trading adviser (although Universa manages the funds as though it were exempt from CFTC registration because the pools are exempt from certain reporting requirements under Commodity Exchange Act Rule 4.7). The equity interests in the funds are not registered under the Securities Act of 1933, and the funds are not registered investment companies under the Investment Company Act of 1940. Universa believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Universa and any fund could be subject to expensive legal action and potential termination. In addition, clients and fund investors do not have certain regulatory protection that they would have if these registrations were in place.
- Universa’s activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- Universa’s activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- Universa and its affiliates may spend time on activities that compete with a client without accountability to that clients, including investing for other clients and their own accounts. If Universa receives better compensation and other benefits from managing other assets or client accounts compared to managing a client, it has incentive to allocate more time to those other activities. These factors could influence Universa not to make investments on a client’s behalf even if such investments would benefit the client.
- Universa provides certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal or redemption rights that it does not provide to other investors or clients.

Risk Factors Applicable to Fund Investors

- There is not and will not be an active market for fund interests. It may be impossible to transfer any such interests, even in an emergency.
- For the BSPP funds, the BSPP-Inflation funds, Asymmetry Offshore II and Universa Premium Master Fund II L.P., an investor may withdraw/redeem a percentage of its pro rata share of a fund’s liquid assets that exceed the fund’s aggregate margin requirements. If the margin required increases (for example, the value of the portfolio decreases or a prime broker increases its margin requirement) and the investors do not make additional investments, the fund will be required to liquidate securities positions to meet that margin requirement. This liquidation may occur at a disadvantageous time.

- A fund may seek additional investments from investors when it determines that the fund requires additional capital to make additional investments, post additional capital for investments or otherwise continue its operations. An investor's failure to make an additional investment in the fund may materially and adversely affect the fund.
- The U.S. Federal Reserve, the U.S. federal government and other governmental and regulatory bodies (federal, state and local) may take a variety of actions that limit the rate of inflation. Some of these actions may lead to greater regulatory oversight of, and the imposition of trading restrictions on, a BSPP-Inflation fund, a Macro Tail fund, Universa or its affiliates. Any such actions could adversely affect a BSPP-Inflation or Macro Tail fund.
- Economic conditions that limit the rate of inflation will affect a BSPP-Inflation fund's investments and prospects materially and adversely. None of these conditions is within Universa's control. Even if it anticipates these developments, it will not adjust a fund's investment objective.
- Universa Premium Fund I L.P. invests in Equity LEAPS® calls and Equity FLEX calls. That fund also enters into over-the-counter derivative instruments structured to resemble such calls (so-called "look-alike calls"). Markets for such instruments fluctuate. The market value of any particular investment may vary substantially. The securities that underlie the options may be issued by unseasoned companies and may be highly speculative.
- A significant portion of MT Master's strategy is designed to generate profits through investment positions that benefit from sudden and significant changes in inflation and general securities' prices. Universa causes MT Master to take those investment positions based on its expectations of the effect of inflation and the performance of general securities markets on their prices. The prices of such securities, however, are influenced by many other factors that may lead to Universa's expectations being incorrect.
- A fund may not be able to generate cash necessary to satisfy investor withdrawals and redemptions. Substantial withdrawals and redemptions in a short period could force Universa to liquidate investments too rapidly, and may so reduce the size of a fund that it cannot generate returns or reduce losses.
- A fund may limit or suspend withdrawals or redemptions of an investor's assets from the fund.
- A fund may establish a reserve for contingencies if Universa considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- A fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.

- The funds do not intend to make distributions, but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a fund without a cash distribution to pay the related taxes.
- If a limited partnership client becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.

The above is only a brief summary of some of the important risks that a client or investor may encounter. Before deciding to invest in a fund that Universa manages, you should consider carefully all of the risk factors and other information in the fund's offering circular or private offering memorandum.

Item 9. Disciplinary Information

Not applicable.

Item 10. Other Financial Industry Activities and Affiliations

Universa is registered as an investment adviser with the SEC and as a commodity trading adviser with the CFTC, and is a member of the National Futures Association. At all times, however, Universa will provide commodity trading advice to the funds it manages as if it were exempt from such CFTC registration, as the pools are exempt from certain reporting requirements pursuant to Rule 4.7 under the Commodity Exchange Act.

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

Universa has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended, which establishes standards of conduct for Universa's supervised persons. The Code of Ethics includes general requirements that Universa's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and to report their personal securities transactions and holdings quarterly to Universa's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to Universa's Compliance Officer. Each supervised person of Universa receives a copy of the Code of Ethics and any amendments to it, and must acknowledge in writing having received the materials. Quarterly, each supervised person must certify that he or she complied with the Code of Ethics during that quarter. Clients and prospective clients may obtain a copy of Universa's Code of Ethics by contacting Eric Spencer.

Under Universa's Code of Ethics, with the Compliance Officer's prior written consent, Universa's partners, officers and employees (and their family members) generally may (a) purchase and sell (both long and short) publicly-traded securities and (b) acquire securities in a private placement by a private operating company (such as a venture capital financing transaction) or by a private fund (such as an offering of securities by a hedge fund, venture capital fund or private equity fund), and dispose of such securities. Transactions for which pre-

approval are granted cannot be executed until at least two business days after client accounts have ceased trading those securities and pre-approved investments generally must be held for a minimum of 30 days. Quarterly, Universa reminds each employee to notify the Chief Compliance Officer of any changes to the employee's proprietary accounts.

Prior approval is not required to purchase or sell securities issued by any federal, state or local government of the U.S. or by any non-U.S. government, shares of open-end investment companies registered under the Investment Company Act of 1940 (mutual funds) that are not affiliated with Universa, broad-based exchange traded funds, money market instruments (e.g., bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments) and shares of money market funds, provided that no client account holds a position in that security. While prior approval is not required for these investments, however, some of them must be held for at least 30 days. In addition, an employee may not liquidate a position in any security described above until the opening of trading on the business day following the day on which the position was initiated.

Universa solicits investors who may or may not be Universa's clients to invest in the funds that it manages. Universa has an incentive to cause a client to invest in a fund instead of an individually managed account because of the reduced expenses and administrative burdens of managing a fund compared to those of an individually managed account, Universa's performance compensation from a limited partnership client receives more favorable tax treatment than that from an individually managed account. Investors have less transparency and liquidity than individual account clients. In addition, if a fund investor also has an individually managed account with Universa that uses an investment strategy that is similar to that of the fund, the investor may use knowledge of the other account's portfolio to decide if and when to make an additional investment or withdraw or redeem assets from the fund at times when other fund investors would have made similar decisions had they had similar transparency. Universa discloses these conflicts of interest to clients and investors.

Because Universa manages more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. Universa has discretion, on behalf of each client, to determine which investments are made by a particular client, sold to others or made by it or its affiliates, with or without the participation of any other person. The interests of Universa's clients in selecting, negotiating and administering investments may conflict in some circumstances. Universa may give advice and take action with respect to one client account that differs from the advice that it gives or the timing or nature of action that it takes with respect to another client account. For example, Universa selects investments for some client accounts based solely on the investment strategy to be employed on behalf of those clients. Other client accounts may have different investment strategies and expected levels of trading. In the course of providing advisory services, Universa may buy or sell a security for one type of client but not for another. Further, Universa may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Universa or its affiliates may be able to obtain more favorable compensation, cost reimbursement or risk sharing arrangements in connection with some investments if some client accounts do not participate. These factors could influence Universa not to make investments on behalf of some client accounts even though participation might benefit those client accounts. It is Universa's policy, however, to the extent practicable, to

allocate investment opportunities among client accounts fairly over time. Universa is not obligated to acquire for any account any security that Universa or its partners, officers or employees may acquire for its or their own accounts or for any other client, if in Universa's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Item 12. Brokerage Practices

Best Execution

Universa has complete discretion in selecting the broker or futures commission merchant that it uses for client transactions and the commission rates that clients pay such brokers and futures commission merchants. Universa allocates portfolio transactions to executing brokers based on best execution. In determining whether a particular broker will provide best execution, Universa primarily considers the net price for that transaction, although it may also consider other factors, such as:

- special execution capabilities;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- order of call;
- efficiency of execution and error resolution; and
- the availability of stocks to borrow for short trades.

For any particular transaction, Universa may cause a client to pay a broker a commission in excess of that which another broker might charge for effecting the same transaction. In all cases, though, Universa determines in good faith that such commission is reasonable in relation to the value of the collective services that a broker provides, usually viewed in terms of Universa's overall responsibilities to the client and other accounts. Universa also may direct brokerage transactions to brokers who refer prospective investors to a fund or other accounts, or clients to Universa (although not in a quid pro quo arrangement).

Universa addresses these conflicts of interest by quarterly evaluating the trade execution services that Universa receives from the brokers and futures commission merchants that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers and futures commission merchants. Universa considers, among other things, alternative market makers and market centers, the quality of execution services, the value of adding or removing brokers or futures commission merchants, increasing or decreasing targets for each broker or futures commission merchant and the appropriate level of commission rates.

Prime Brokerage and Custodial Considerations

Some of the factors that Universa considers when choosing a prime broker and custodian may include:

- price;
- margin requirements

- clearance;
- settlement;
- reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- order of call;
- offering to Universa online access to data regarding its clients' accounts;
- the availability of stocks to borrow for short trades; and
- custody; recordkeeping and similar services.

Universa has retained Bank of America Merrill Lynch and UBS Securities LLC (and their affiliates) to serve as the funds' prime brokers and custodians, pursuant to prime brokerage agreements entered into between each fund and each firm. Each agreement contains provisions that limit the prime broker's liability to the fund and under which the fund must indemnify that broker. Universa may replace any of these firms or appoint additional prime brokers and custodians at any time. Some of the factors that Universa considers when choosing a prime broker may include price, clearance, settlement, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, order of call, offering to Universa online access to data regarding its clients' accounts, the availability of stocks to borrow for short trades, custody, recordkeeping and similar services and other matters involved in the receipt of prime brokerage services generally. These firms may also provide Universa with administrative services, such as technology services (including IT support, email archiving and disaster recovery systems), capital introduction services, portfolio reporting and access to electronic communications networks. Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if Universa did not receive these services from these firms, Universa would be required to pay for all or some portion of them. Universa is not required to direct a particular number of trades to these firms or to continue to use them as custodians, but Universa has an incentive to do so based on their prior and continued services.

Section 28(e) of the 1934 Act provides a "safe harbor" to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. To the extent that Universa directs portfolio transactions to one of its prime brokers, a fund may be deemed to be paying for the trading, research and administrative services that the prime broker provides with "soft" or commission dollars. Any such administrative assistance may not fall within the safe harbor provided by section 28(e).

Trade Aggregation

Universa may aggregate sale and purchase orders of securities held by a client with similar orders being made simultaneously for other accounts if, in its judgment, such aggregation is reasonably likely to result in an overall economic benefit to the client and the other accounts, in

the aggregate, based on an evaluation that the client and the other accounts will benefit from relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, Universa purchases or sells securities for a client and simultaneously purchases or sells like securities for other accounts. Such transactions may be made at slightly different prices, because of the volume of securities purchased or sold. In such event, a client may be charged or credited, as the case may be, the average transaction price of all securities purchased or sold in such transactions. As a result, the price may be less favorable to the client than it would be if similar transactions were not executed concurrently for other accounts.

Cross Transactions

Periodically, Universa may seek to adjust or rebalance the portfolios of a client and one or more other accounts by effecting cross trades between or among those accounts (i.e., causing one or more of those accounts to sell securities to one or more of those accounts). In effecting such cross trades, Universa seeks to reduce the transaction costs to its clients of such account adjustments. All such cross trades will be consistent with the investment objectives and policies of each client account involved in the trades.

Universa has adopted policies and procedures regarding cross transaction that require Universa to document of the purpose of such transaction and why it is appropriate for both the buyer and seller. Universa seeks to allocate spread related transaction costs among the initiator of such transaction. Prior to completing any cross transaction, Universa reviews open market prices to determine if a better price is available and attempts to look up the security on a quote service, if available, and get two other bid/ask quotes from brokers to compare to the executing broker's price. Universa's Chief Compliance Officer reviews all cross transaction documentation quarterly.

Agency Cross Transactions

If Universa ever becomes affiliated with a securities broker, under certain circumstances that broker might act as a broker for both a client and a third person on the other side of a trade, a so-called "agency cross transaction." In such a case, the broker would receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction. All such transactions will be disclosed to clients in accordance with the Investment Advisers Act of 1940 and that broker will prepare annual statements summarizing such transactions and the commissions paid to the broker for agency cross transactions. No agency cross transactions will be effected in which Universa or the broker will have recommended the transaction to both the buyer and the seller.

Third Party Solicitors

Universa may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients and investors referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client or investor and Universa complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law.

Directed Brokerage/Separate Accounts

If a client directs Universa to use a specific broker, Universa has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. Universa is not responsible for obtaining from any such broker the best prices or particular commission rates. A client that directs Universa to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if Universa had discretion to select broker-dealers other than those that the client chooses.

Item 13. Review of Accounts

Mark W. Spitznagel, President and Chief Investment Officer of Universa, oversees the development and implementation of the investment strategies that Universa employs on behalf of its clients. Mr. Spitznagel delegates the day-to-day responsibility for managing each client account's portfolio and executing trades for each client account to one or more portfolio managers.

Each client receives frequent customized reports and monthly performance results, and BSPP clients have significant portfolio transparency.

Item 14. Client Referrals and Other Compensation

Universa may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and Universa complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

Item 15. Custody

The custodian of each individually managed account sends account statements at least quarterly to the client. Each client should carefully review those statements and compare them to the statements that such client receives directly from Universa, if any.

Item 16. Investment Discretion

Universa has discretionary authority to manage investment accounts on behalf of clients pursuant to a grant of authority in each fund's limited partnership agreement or a limited power of attorney in each client's account agreement. Except for Universa's limited partnership clients, such discretion is limited by the requirement that clients advise Universa of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify Universa in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at

any time direct Universa to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a client may notify Universa at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

Item 17. Voting Client Securities

Universa decides whether to vote proxies on behalf of each account over which Universa has proxy voting authority after considering whether the proposal will have a material effect on the account's investment strategy. This analysis typically leads Universa not to vote proxies. In determining whether a proposal serves an account's best interests, Universa considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

Universa abstains from voting proxies when Universa believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between Universa and a client, Universa will vote all proxies in accordance with the policy described above. If Universa determines that this policy does not adequately address the conflict of interest, Universa will notify the client of the conflict and request that the client consent to Universa's intended response to the proxy solicitation. If the client consents to Universa's intended response or fails to respond to the notice within a reasonable time specified in the notice, Universa will vote the proxy as described in the notice. If the client objects in writing to Universa's intended response, Universa will vote the proxy as the client directs.

A client can obtain a copy of Universa's proxy voting policy and a record of votes cast by Universa on behalf of that client by contacting Universa.

Item 18. Financial Information

Not applicable.

Item 19. Requirements for State-Registered Advisers

Not applicable.

Privacy Policy

Universa and the investment funds that it manages:

- collect non-public personal information about their clients and investors from the following sources:

- information received from clients or investors on applications or other forms, and
- information about clients' or investors' transactions with Universa, its affiliates or others;
- do not disclose any non-public personal information about their clients or investors or former clients or investors to anyone, except as permitted by law;
- restrict access to non-public personal information about their clients and investors to their employees who need to know that information to provide services to clients; and
- maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.

Trade Error Policy

Universa places orders for the purchase and sale of securities with brokers on behalf of its clients. The trading process is complex and can vary for different types of securities. Moreover, Universa may be required to break up orders, or may buy or sell the same security for more than one client, further complicating the trading process. Universa might make or cause errors in trading. Subject to the specific provisions in each client account agreement, each client account (not Universa or its affiliates) is responsible for any such trade errors. Universa and its affiliates will not be required to bear the cost of any trade error or reimburse a client for resulting costs or losses.

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