

Appomattox

Appomattox Advisory, Inc. Form ADV Part 2

623 Fifth Avenue, 28 fl.
New York, New York 10022
Tel: 212-546-6940 • Fax: 212-546-6230
www.appomattoxadvisory.com

Updated: March 30th, 2012

This brochure provides information about the qualifications and business practices of Appomattox Advisory. If you have any questions about the contents of this brochure, please contact us at 212-546-6940. 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.

Additional information about Appomattox Advisory also is available on the SEC's website at www.adviserinfo.sec.gov.

Material changes from last annual update:

There have been no material changes since the last annual update of this brochure on March 30th, 2011.

TABLE OF CONTENTS

| | |
|---------------------------------|---|
| Item 1 – Cover Page..... | 1 |
| Item 2 – Material Changes..... | 2 |
| Item 3 – Table of Contents..... | 3 |

Part 2A of Form ADV: The Brochure

| | |
|---|----|
| Item 4 - Description of Advisory Business | 4 |
| Item 5 - Fees & Compensation | 5 |
| Item 6 - Performance-Based Fees | 7 |
| Item 7 - Types of Clients | 8 |
| Item 8 - Methods of Analysis, Investment Strategies & Risk of Loss | 9 |
| Item 9 - Disciplinary Information | 12 |
| Item 10 - Other Financial Industry Activities & Affiliations | 13 |
| Item 11 - Code of Ethics, Participation or Interest in Client Transactions & Personal Trading | 14 |
| Item 12 - Brokerage Practices | 16 |
| Item 13 - Review of Accounts | 17 |
| Item 14 - Client Referrals & Other Compensation | 18 |
| Item 15 - Custody | 19 |
| Item 16 - Investment Discretion | 20 |
| Item 17 - Voting Client Securities | 21 |
| Item 18 - Financial Information | 22 |
| Item 19 – Requirements for State-Registered Advisers | 23 |

Part 2B of Form ADV: Brochure Supplement

| | |
|----------------------------------|----|
| Susan Webb | 24 |
| Oscar Gil | 25 |

ITEM 4 - DESCRIPTION OF ADVISORY BUSINESS:

Appomattox Advisory (“Appomattox” or the “Firm”) was founded in March 2005 by Susan Webb and Oscar Gil as an alternative investment firm to address the needs of high net worth individuals, institutional investors and family offices for active management of customized portfolios of hedge funds. The firm is 100% owned by its founders Susan Webb & Oscar Gil.

Type of Services Offered:

Appomattox specializes in assisting clients in the creation, allocation, and management of customized portfolios of hedge funds (when discussing “customized portfolios of hedge funds” throughout this document it is implied that other types of funds may be included, but would represent a minority portion of the portfolio). In addition to these services, Appomattox also manages and offers its own hedge fund of funds (Archway Appreciation Fund) to clients for whom it is a suitable investment. From time to time, Appomattox may also perform various other services upon request such as reviewing specific hedge funds or providing our views on the market.

Tailoring of Services:

Appomattox, where appropriate, will work with clients to tailor their investment management services to individual clients. Factors that Appomattox will consider when tailoring investment management services include, but are not limited to:

- The risk/return appetite of the client
- Size and diversification of existing assets
- Liquidity constraints imposed by the client or other investments held by the client
- Cash availability

Discretionary & Non-Discretionary Assets:

In general when Appomattox provides investment management services on customized portfolios that are non-discretionary, clients may impose restrictions on certain investments. The breakdown of firm assets under management (“AUM”) that are discretionary and non-discretionary are as follows (as of 12/31/2011):

1. Discretionary - \$79,177,646
2. Non-Discretionary - \$715,005,791

ITEM 5 - FEES AND COMPENSATION:

Appomattox charges clients the following types of fees: 1) asset-based fees, 2) fixed fees, 3) performance (“incentive”) fees or 4) a combination of the above.

Fees for Investment Management Services:

For investment management services, fees and expenses are generally assessed depending upon the size of mandate, type of strategy and unique features of the account. Clients are charged an asset-based fee on a quarterly basis. Clients may pay fees in advance depending on the specific terms of their contract. Each client contract addresses the process for refunds of any prepaid fees if the contract is terminated before the end of a billing period. In some cases, client may also pay the Firm an incentive fee based upon an annual percentage of the net capital appreciation above a hurdle rate of the Client’s advised assets for the year, subject to standard high water provisions, at the end of each year. Fees are, in certain cases, negotiable. Some existing clients may have different fee arrangements. Clients are billed for fees incurred.

Fees for Archway Appreciation Fund:

Investors in the Archway Appreciation Fund, the offshore fund of funds vehicle offered by Appomattox Advisory pay the following fees:

Management Fee (A Shares only) - clients will be pay, in arrears, as of the last “Business Day” (as defined below) of each quarter, a quarterly management fee (the “Management Fee”) of 1.0% per annum of the net assets of the Fund attributable to holders of Series A Shares. The Management Fee will be prorated for any period that is less than a full quarter and will be adjusted for subscriptions made during the quarter. A “Business Day” shall include any day that banks are open for business in New York, U.S.A. and Bermuda.

Incentive Fee – clients will pay an annual incentive fee accrued at the end of each fiscal year in an amount equal to 10% of the net profits (including net unrealized gains), if any, allocable to each Series A Share, subject to a loss carryforward provision. The client will pay the Incentive Fee for each fiscal year with respect to Series A Shares in the following increments: (i) 90% of the estimated Incentive Fee within 30 days after the end of the fiscal year and (ii) the balance of the Incentive Fee promptly following the completion of the Fund’s audit. In the event that the Management Agreement is terminated or a redemption is made prior to the last day of the fiscal year, the Incentive Fee will be computed as though the termination date or redemption date, as the case may be, were the last day of the fiscal year. The same exact methodology applies to the Incentive Fee on B Shares, except for the amount of net profits paid by the client will be equal to 20%.

To the extent Appomattox directs clients to invest in securities that require brokerage, load or other transactional fees, those expenses will be borne by the client. These fees will be disclosed prior to any investment by the client. Please see subsequent sections concerning brokerage for more information on brokerage related fees.

Appomattox may also charge fees for tailored services other than investment management on a case by case basis. No employees of Appomattox receive compensation for the sale of securities or other investment products.

ITEM 6 - PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT:

Appomattox accepts performance fees for accounts for which it provides investment management services. Appomattox also manages accounts for which it does not accept performance fees but does accept asset-based or fixed fees. Conflicts of interests may exist in that a performance fee might provide incentive to favor accounts paying a performance fees to the disadvantage of other accounts to which it provides similar services without a performance fee. Through various practices and procedures, Appomattox mitigates conflicts in the following ways:

1. In the management of both non-performance fee paying accounts and performance fee paying accounts, Appomattox utilizes similar investment processes which align performance among portfolios regardless of fee arrangements.
2. Where appropriate, Appomattox defines specific investment performance objectives in contracts with its clients with non-performance fee paying accounts that provide incentives to Appomattox that supersede and mitigate any incentives caused by differences in fees.
3. Appomattox adheres to strict written policies for scarce investment opportunities such that no client receives favorable treatment regardless of fees arrangements. Clients can obtain a copy of this policy by contacting the Firm's Chief Compliance Officer, Todd Lippincott at 212-546-6292.

ITEM 7 - TYPES OF CLIENTS:

Appomattox provides services to high net worth individuals, institutions, family offices and other sophisticated investors.

Depending on the services desired the account size minimum varies. For customized portfolios of hedge funds, Appomattox requires a minimum of \$50 million. For investors in Archway Appreciation Fund, the minimum is \$250,000. Appomattox may reduce these minimums at its discretion.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS:

Appomattox approaches investing from both a bottom-up focus on selection of its hedge funds (“managers” or “underlying managers”) and a top-down approach to allocation among strategies. Our investment strategy does involve risk of loss that clients should be prepared to bear.

For manager selection the Firm aims to construct a portfolio of managers whose investment styles truly complement one another in terms of asset selection, trading approach and risk management techniques. The Firm selects for managers that demonstrate the following characteristics:

- Run their businesses with the utmost integrity
- Have a proven history of adding value on both the long and the short side within their given strategy
- Demonstrate skill managing risk
- Can recognize mistakes early on and redeploy capital effectively

In identifying new managers, the Firm does extensive initial due diligence and reference checks followed by regular manager monitoring via periodic meetings, calls and reports. Investing primarily in hedge fund managers includes, but is not limited to, the following risks:

- ***Multiple Investment Managers*** - Because the Firm invests with underlying managers who make their trading decisions independently, it is theoretically possible that one or more of such underlying managers may, at any time, take positions that may be opposite of positions taken by other underlying managers. It is also possible that the underlying managers retained by the Firm may on occasion be competing with each other for similar positions at the same time.
- ***Performance-Based Compensation*** - The Firm typically enters into arrangements with underlying managers which provide that underlying managers be compensated, in whole or in part, based on the appreciation in value (including unrealized appreciation) of the account during specific measuring periods. The Firm also has a performance-based compensation arrangement with its clients in the Archway Appreciation Fund that it manages. Such performance fee arrangements may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements.
- ***Limited Redemption and Transfer Rights*** – Clients invested in the underlying managers will be permitted to redeem all or any of their interests in the underlying managers at intermittent periods and only with sufficient notice. Underlying managers further may choose to limit, restrict, suspend or gate any such redemption depending on the circumstances, at its sole discretion. In addition, transfers of the interest in underlying managers will typically only be permitted with the written consent of the underlying manager. Clients invested in the Archway Appreciation Fund are subject to these same risks. Accordingly, clients must be willing and able to commit their funds for a longer term time horizon.

- **Activities of Portfolio Managers** – The Firm will have no control over the day-to-day operations of any of the selected underlying managers. As a result, there can be no assurance that every underlying manager engaged by the Firm will invest on the basis expected by the Firm.
- **Limits on Information** - The Firm requests certain information from each underlying manager regarding the underlying manager's historical performance (if any) and investment strategy. However, the Firm may not be provided with information regarding all of the investments made by the underlying managers because certain of this information may be considered proprietary information by underlying managers.
- **Leverage; Short Sales; Options** - The underlying managers retained by the Firm may employ leverage, may engage in the "short selling" of securities and may sell or purchase options. The Firm itself may also use leverage from time to time to effect investments or facilitate redemptions. While the use of borrowed funds and "short sales" can substantially improve the return on invested capital, their use may also increase any adverse impact to which the investments of the Firm may be subject. Selling securities short, while often used to hedge investments, does run the risk of losing an amount greater than the initial investment in a relatively short period of time. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase. The selling or purchasing of an option also runs the risk of losing the entire investment or of causing significant losses in a relatively short period of time.
- **Custody and Prime Brokerage Risk** - There are risks involved in dealing with the custodians or prime brokers who settle a underlying manager's or Archway Appreciation Fund's trades. Although the the Firm expects the underlying managers to monitor their respective prime brokers, there is no guarantee that such prime brokers, or any other custodian that an underlying manager may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of client assets, the client would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

From a top-down perspective the Firm creates a global asset allocation across the various investment strategies of its underlying managers. Examples of these investment strategies include Macro/Trading, Credit Strategies, Equity Long/Short and Emerging Markets. Appomattox then determines a target weight range for each strategy. The target allocation for a strategy depends upon the current global outlook for that strategy which is based on a forward looking return, volatility, and liquidity profile of the underlying instruments for that strategy. To aid in the development of its asset allocation the Firm uses investment commentary provided by third parties and its underlying managers, information at industry

conferences, the Firm's own internal research, meetings with managers, and its experience in investing.

Risks from this investment strategy include, but are not limited to:

- **General trading & market risks** - Substantial risks, including market risks, are involved in trading in U.S. and foreign government securities, corporate securities, commodity and financial futures, options, and the various other financial instruments and investments in which the firm's underlying managers will trade. The prices of these investments are volatile, market movements are difficult to predict and financing sources and related interest and exchange rates are subject to rapid change.
- **Diversification** - Although the Firm seeks to obtain diversification by investing with a number of different underlying strategies and managers, it is possible that several underlying managers may take substantial positions in the same security or group of securities at the same time. This possible lack of diversification may subject the investments of the Firm to more rapid change in value than would be the case if the assets of the Firm were more widely diversified.
- **Other Risks** - Each strategy employed by the underlying managers with which the Firm invests typically will involve a different set of complex risks, many of which are not described in this brochure. Each prospective client should undertake a close investigation and evaluate such risks.

The Firm's employees have been investing and trading in the capital markets for over 25 years collectively, throughout that time working with hedge fund managers. The Firm draws upon their experience to execute its investment strategies as outlined above.

ITEM 9 - DISCIPLINARY INFORMATION:

Neither Appomattox nor any of its officers or employees has a history of legal or disciplinary events.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS:

Appomattox serves as the general partner or investment advisor to the following private investment companies and offshore funds:

Archway Commodities Fund L.P.

BHM Archway Feeder L.P.

Archway Appreciation Fund Limited (offshore)

Archway Commodities Ltd. (offshore)

BH Feeder, Inc. (offshore)

Harb. CT Feeder Inc. (offshore)

The Firm may receive investment management and incentive fees from these entities and may recommend that clients invest in these entities. To mitigate any conflict that arises from the fees Appomattox receives from these entities, any client that Appomattox recommends invest in one of these entities will not be charged any additional fees by virtue of being an investor in these entities.

Appomattox has sub-advisory relationships with Archway Investment Advisors Limited, a a Bermuda advisor under common control with the Firm, with the offshore funds listed above. The Firm the does not believe this relationship creates any material conflict of interest with clients.

Appomattox has no other material relationship or arrangement relating to financial industry activities and affiliations.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING:

Appomattox is committed to conducting its business with the utmost integrity. As part of this commitment, the Firm has adopted the Code of Ethics to cover specifically any conflicts of interest that arise from personal trading. The Firm also has adopted the *CFA Code of Ethics & Standards of Professional Conduct*, to serve as the standard of behavior in all professional activities. All employees are provided with a copy of the Code of Ethics and are required to sign a form acknowledging read and received it and will adhere to its standards. Clients and prospective clients may obtain a copy of the Code of Ethics as well as a copy of the *CFA Code of Ethics & Standards of Professional Conduct* by contacting Todd Lippincott, the Firm's Chief Compliance Officer, at 212-546-6292.

The Code of Ethics focuses on personal trading. All employees are required to preclear personal securities transactions. Preclearance requests will be denied when, among other reasons, the proposed personal transaction is deemed to adversely affect any transaction then known to be under consideration or being effected on behalf of any client account.

In general, Appomattox rarely recommends that clients invest in specific securities, instead recommending Managers where knowledge of security level positions comes only with a significant lag, so potential for conflict for daily or weekly securities trading is low. Regardless, in addition to the preclearance requirements, unless specifically cleared with the Firm's Chief Compliance Officer, Appomattox employees are prohibited from (i) acquiring securities in any initial public offering, (ii) acquiring securities in any private placement of securities or investment opportunity of limited availability, (iii) engaging in excessive short term trading in any accounts held outside Appomattox, and are subject to a number of other restrictions outlined in the Code of Ethics.

Appomattox primarily recommends its clients to invest in hedge fund managers. Appomattox and any related persons may also purchase and sell managers recommended to clients. Such personal investing may raise potential conflicts of interest such as when the Firm and any related person sells an interest in a manager currently held by clients or if the Firm or one of its related persons effects a transaction with limited availability in a manager at or about the same time as it recommends a client to do the same.

Appomattox has adopted a policy regarding personal investment in managers that are also recommended to clients to address situations such as those described above. In general, any transaction that would be deemed to give an appearance of a conflict would be prohibited. In the case of a scarce investment, clients would be given preference over Appomattox and any related persons. Clients or prospective clients may obtain a copy of this policy by contacting Todd Lippincott, the Firm's Chief Compliance Officer, at 212-546-6292.

Appomattox believes that investing alongside its clients generally moves to align its interests with clients, rather than creating conflicts.

As described in Item 10, Appomattox does serve as general partner and advisor to private investment companies and offshore funds for which it may receive investment management and incentive fees. The Firm may recommend that clients invest in these entities which can create a conflict by creating incentive for the Firm to recommend these investments over others in which Appomattox does not receive fees. To mitigate any conflict that arises from the fees Appomattox receives from these entities, any client that Appomattox recommends invest in one of these entities will not be charged any additional fees by virtue of being an investor in these entities.

ITEM 12 – BROKERAGE PRACTICES:

Appomattox effects the majority of its investment recommendations through professional third party money managers which do not require brokerage transactions. Appomattox does not select or recommend broker-dealers for client transactions. Appomattox receives no research, soft-dollar, or other benefits from broker-dealers. Clients are responsible for any costs associated with brokerage.

Appomattox does not have any arrangements to recommend or direct clients to broker-dealers in exchange for client referrals.

Appomattox has no client-directed brokerage arrangements.

ITEM 13 – REVIEW OF ACCOUNTS:

The officers of Appomattox, in coordination with the analysts, review all client accounts on at least a monthly and quarterly basis, as reports are distributed. As part of the Firm's regular duties, the officers, in coordination with the analysts, monitor all underlying managers, other investments and market conditions on a continuous basis. Detailed interim account reviews would be triggered when such monitoring suggests a re-evaluation of that account is needed.

Clients are provided with monthly "flash" reports focusing on the most recent month and year-to-date performance of their portfolio versus a collection of indices. On a quarterly and annual basis, clients receive more detailed reports that include a review of each investment in the client's portfolio, the performance of that investment as a contribution to that portfolio, the balance (or imbalance) of the portfolio resulting from each investment's contribution, and a reassessment of the asset allocation in the portfolio. These reports, as deemed appropriate, will be accompanied by a brief letter describing the market outlook and results.

ITEM 14 – CLIENT REFERRALS & OTHER COMPENSATION:

Appomattox maintains arrangements with third-parties that provide compensation for client-referrals. Those arrangements are disclosed below:

1. *New Market Analytics* – compensated for client referrals provided in the Latin America region. The contract is currently active and compensation has been paid under its terms. Compensation for successful client referrals is paid in the form of sharing a portion of the fees earned by Appomattox on the client.

ITEM 15 – CUSTODY:

Appomattox does not have custody of client funds or securities.

ITEM 16 – INVESTMENT DISCRETION:

Appomattox accepts discretionary authority of client assets. Before assuming this authority, Appomattox requires the client to enter into a contract that specifies details including, but not limited to, investment objectives, suitability, power of attorney agreements, investment restrictions, fees, custodial arrangements, termination and reporting.

ITEM 17 – VOTING CLIENT SECURITIES:

Appomattox does not have authority to vote client securities. Clients will receive proxies from either their custodian, transfer agent or other third party service provider. Clients may contact Todd Lippincott, the Firm's Chief Compliance Officer, at 212-546-6292 with any questions about proxies.

ITEM 18 – FINANCIAL INFORMATION:

Appomattox has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

ITEM 19 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS:

This item is not applicable to Appomattox.

Appomattox

Appomattox Advisory, Inc. Part 2B of Form ADV – the Brochure Supplement

623 Fifth Avenue, 28 Fl.
New York, New York 10022
Tel: 212-546-6940 • Fax: 212-546-6230
www.appomattoxadvisory.com

Updated: March 30th, 2012

This brochure supplement provides information about Susan Webb and Oscar Gil that supplements Appomattox Advisory, Inc.'s ("Appomattox") accompanying the Brochure. Please contact Todd Lippincott at 212-546-6292 if you have any questions about the Brochure or the contents of this Brochure supplement for Appomattox.

Additional information about Susan Webb and Oscar Gill also is available on the SEC's website at www.adviserinfo.sec.gov.

SUSAN WEBB – BIOGRAPHICAL INFORMATION:

Educational Background & Business Experience

Formal Education: M.B.A. Darden School at the University of Virginia, B.S. University of Virginia

Business Background:

Appomattox Advisory Inc., President (2005 - Present)

First Atlas Capital Inc., Director (2001 - 2008)

Caisse des Depots, New York, New York, Managing Director, Head of Marketing and New Business Development (1999 - 2000)

CIBC, New York, New York, Managing Director, Head of Financial Institutions and Investor Derivatives (1995 -1999)

Paribas Capital Markets, Managing Principal, Head of Equity Derivatives, and Head of Global Derivatives (1991 - 1995)

Citibank N.A. New York, New York, Vice Presidents, Risk Management, Currency and Interest Rate Derivative Trading (1987 - 1991)

Group Irving Trust Company, New York, New York, Vice President, Financial Institutions and Restructuring (1984 - 1987)

Year of Birth: 1956

Disciplinary Information

Susan Webb has not been involved in any legal or disciplinary events.

Other Business Activities

Susan Webb is a board member for GTI Capital Group, an investment firm focused on opportunities in India. She does not receive compensation in connection with GTI Capital Group or any business activity outside of Appomattox.

Additional Compensation

Susan Webb does not receive economic benefits from any person or entity other than Appomattox in connection with the provision of investment advice to clients.

Supervision

As founder and President, Susan Webb maintains ultimate responsibility for the Firm's operations with support from the firm's officers. All operational and investment decisions are discussed with co-founder and CFO/COO, Oscar Gil (212-546-6287). All compliance decisions and matters are discussed with the Chief Compliance Officer, Todd Lippincott (212-546-6292).

OSCAR GIL – BIOGRAPHICAL INFORMATION:

Educational Background & Business Experience

Formal Education: M.B.A. Harvard Business School, B.S. Mechanical Engineering Universidad Metropolitana in Caracas, Venezuela

Business Background:

Appomattox Advisory Inc., Director (2005 - Present)

Weston Atlas Partners Fund, Director (2004-2011)

First Atlas Capital Inc., Senior Associate (2003 - 2007)

McKinsey & Company, Management Consultant (1999 - 2001)

Year of Birth: 1976

Disciplinary Information

Oscar Gil has not been involved in any legal or disciplinary events.

Other Business Activities

Oscar Gil is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Appomattox.

Additional Compensation

Oscar Gil does not receive economic benefits from any person or entity other than Appomattox in connection with the provision of investment advice to clients.

Supervision

Oscar Gil is a Director and CFO/COO of Appomattox. Oscar Gil is supervised by Susan Webb (212-546-6281). His activities are also overseen by the Chief Compliance Officer, Todd Lippincott (212-546-6292).