

**Item 1. Cover Page**

**Nebula Capital Management, LP**

*For Separately Managed Accounts*

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This brochure provides information about the qualifications and business practices of Nebula Capital Management, LP. If you have any questions about the contents of this brochure, please contact us at (203) 930-3103. The information in this brochure has not been approved by or verified by the United States Securities and Exchange Commission or by any state securities authority.

Nebula Capital Management, LP is an investment adviser registered with the United States Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Nebula Capital Management, LP is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. MATERIAL CHANGES**

There are no material changes to the Investment Manager's business reflected in this Brochure.

### Item 3. Table of Contents

ITEM 1.	COVER PAGE.....	1
ITEM 2.	MATERIAL CHANGES .....	2
ITEM 3.	TABLE OF CONTENTS .....	3
ITEM 4.	ADVISORY BUSINESS .....	4
ITEM 5.	FEES AND COMPENSATION .....	5
ITEM 6.	PERFORMANCE-BASED FEES .....	6
ITEM 7.	TYPES OF CLIENTS .....	6
ITEM 8.	METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS .....	7
ITEM 9.	DISCIPLINARY INFORMATION.....	13
ITEM 10.	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	13
ITEM 11.	CODE OF ETHICS; PARTICIPATION IN CLIENT TRANSACTIONS .....	14
ITEM 12.	BROKERAGE PRACTICES .....	14
ITEM 13.	REVIEW OF ACCOUNTS.....	15
ITEM 14.	CLIENT REFERRALS AND OTHER COMPENSATION .....	16
ITEM 15.	CUSTODY & ACCOUNT STATEMENTS.....	16
ITEM 16.	INVESTMENT DISCRETION.....	16
ITEM 17.	VOTING CLIENT SECURITIES.....	16
ITEM 18.	FINANCIAL INFORMATION .....	17
	BROCHURE SUPPLEMENT OF ALEEM MAWJI.....	18

## **Item 4. ADVISORY BUSINESS**

### **The Investment Manager**

Nebula Capital Management, LP (the “Investment Manager”) was organized on August 7, 2008 and began its advisory business in 2009.

The owners of the Investment Manager are Aleem Mawji (97%) and NCM-S Corp. (3%).

### **Advisory Services**

Pursuant to investment management agreements (“IMAs”), the Investment Manager serves as the investment manager of one or more separately managed accounts (“SMAs”). On behalf of the SMAs, the Investment Manager provides day-to-day investment and portfolio management services. The Investment Manager is solely responsible for the investment decisions and performance of the SMAs. The Investment Manager also serves as an investment manager and, in some cases, general partner to a number of private investment partnerships or other fund entities in which SMA clients may be solicited to invest; for information about such funds, please refer to the appropriate brochure.

SMA assets will be primarily invested in, and the Investment Manager will render advice primarily concerning, stocks, exchange-traded funds, bonds, futures and derivatives, currencies, options and swaps, asset-backed securities, private placements, illiquid investments, cash held for investment, and occasionally other assets as described in each IMA, including, for example, shares of registered investment companies or collective trusts maintained by a bank or trust company. Each IMA may also limit the range of investments the Investment Manager may select for any SMA.

Leverage will be employed in SMA unless otherwise specified by the applicable IMA.

The Investment Manager has other clients who are not invested in SMAs.

### **Client-Focused Investment Advice**

The Investment Manager tailors its advice to each SMA according to the individual needs of the client, taking into account the client’s risk appetite and investment goals.

However, clients cannot impose restrictions on specific investments made in their SMA, except as described in the relevant IMA, and clients will not be given an opportunity to give their prior approval to trades or investments.

### **No Wrap Fee Program**

The Investment Manager does not sponsor or participate in a wrap fee program.

### **Discretionary Assets**

The Investment Manager has investment discretion over all of its clients’ assets, which totaled approximately \$148,620,000 as of May 30, 2012, approximately \$125,873 of which is

invested in one or more separately managed accounts. Clients assets are invested in one or more SMAs, as well as a number of private fund vehicles. The Investment Manager does not currently manage any client assets on a non-discretionary basis.

## **Item 5. FEES AND COMPENSATION**

### **Compensation; Negotiability**

Each client may be charged by the Investment Manager a management fee (the “Management Fee”). The Management Fee will be charged, either in arrears or in advance, and paid as of such dates, whether monthly, quarterly, etc., as described in the client’s IMA. The Management Fee will generally range from 0.5% to 4.0% on an annual basis as described in the client’s IMA, depending to a great extent on the size of the assets deposited by the client in the SMA.

Additionally, each qualified client may be charged a performance-based fee (the “Incentive Allocation”) as of the final day of each period, as specified in the client’s IMA, equal to such percent increase in the net asset value of such client’s SMA (net of such SMA’s expenses and including realized and unrealized gains and losses) as described in the client’s IMA. Generally, the Incentive Allocation will range from 0% to 20% of the percentage increase in net asset value of an SMA. Additionally, the Incentive Allocation may be subject to a “high water mark” such that a SMA’s returns must meet or exceed such SMA’s loss carryforward amount. The loss carryforward amount for each SMA, if applicable, shall be the sum of all prior net losses allocated to such SMA that have not been subsequently offset by net profits; provided, however, that the loss carryforward amount shall be reduced proportionately to reflect any withdrawals made from such SMA.

As the Investment Manager accepts performance-based fees from its clients, the Investment Manager may have an incentive to favor accounts paying a performance fee over those accounts where no performance fee is charged.

The Management Fee and Incentive Allocation are negotiable. The fees described above may be paid directly to the Investment Manager or one of its related persons, as specified in the client’s IMA.

### **Deduction of the Management Fee**

Management Fees are deducted directly from each SMA by the administrator or other custodian at the regular intervals described in a client’s IMA or may be invoiced on the regular schedule outlined in the IMA.

### **Other Fees and Expenses**

Each SMA is responsible for its own expenses and fees, including: legal, compliance, administrator, audit, and accounting expenses (including third party accounting services); investment expenses such as commissions, research fees, and expenses; interest on margin accounts and other

indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees, and; any other expenses related to the purchase, sale, or transmittal of SMA assets.

Additionally, clients have agreed to limit the liability of the Investment Manager and its members, officers, employees, and affiliates as described in the client's IMA.

Further information about the brokerage relationships of SMAs may be found in Item 12, herein.

#### **Item 6. PERFORMANCE-BASED FEES**

Each qualified client may be charged a performance-based fee (the "Incentive Allocation") as of the final day of each period, as specified in the client's IMA, equal to such percent increase in the net asset value of such client's SMA (net of such SMA's expenses and including realized and unrealized gains and losses) as described in the client's IMA. Generally, the Incentive Allocation will range from 0% to 20% of the percentage increase in net asset value of an SMA. Additionally, the Incentive Allocation may be subject to a "high water mark" such that a SMA's returns must meet or exceed such SMA's loss carryforward amount. The loss carryforward amount for each SMA, if applicable, shall be the sum of all prior net losses allocated to such SMA that have not been subsequently offset by net profits; provided, however, that the loss carryforward amount shall be reduced proportionately to reflect any withdrawals made from such SMA.

In the event that a client withdraws capital (in whole or in part) from their SMA other than at the end of the incentive allocation period set forth in the IMA, the Investment Manager or its related person shall be entitled to an Incentive Allocation with respect to such SMA calculated as though the applicable withdrawal date was the last day of the relevant fiscal period.

#### **Item 7. TYPES OF CLIENTS**

The Investment Manager will open SMAs for clients who meet certain minimum net worth criteria gathered by the Investment Manager. An investment in an SMA is suitable only for sophisticated investors that are aware of, and can afford, the risks involved in the SMA and have the ability and willingness to accept (i) the illiquid nature of an investment in an SMA and (ii) the risk of loss of all or a substantial portion of their interest in an SMA. The Investment Manager may, in its sole discretion, reject a prospective client for any reason.

The Investment Manager's SMA clients may include individuals, trusts, estates, charitable organizations, corporations or other business entities, investment companies, and certain other investors.

The Investment Manager may accept investments from individual retirement accounts, Keogh plans, and other entities that are subject to the prohibited transaction provisions of Section 4975 of the Internal Revenue Code of 1986, as amended, on a case-by-case basis. Additionally, the Investment Manager may accept investments from retirement plans or entities whose assets are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), on a case-by-case basis.

There is no absolute minimum initial investment the Investment Manager will accept to open an SMA.

## **Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

The following discussion has been purposefully left broad; clients should carefully review the Statement of Characteristics and Guidelines, or related material, describing their SMA's investment objectives and strategies and speak with the Investment Manager regarding their own goals and tolerance for risk.

### **Investment Objectives and Strategies**

The objective of SMAs is to make investments that generate attractive returns over time. SMAs may include industry benchmark targets, such as the S&P 500 Index, or other relevant industry benchmarks. The investment strategy of SMAs may include income generation or trading profits, among other strategies.

### **Material Risks of Investment Strategy**

Separately managed accounts with the Investment Manager may be deemed to be highly speculative investments and should be considered only as a supplement to an overall investment program. The SMAs are not intended as a complete investment program. An investment in an SMA manifests the investor's acknowledgement of the risks involved. SMAs are suitable only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in their SMA and who have a limited need for liquidity in their investment. There can be no assurances or guarantees that an SMA's investment objectives will be achieved or that a client will not lose all or a portion of their investment in their SMA. Additionally, clients should be aware that an investment in an SMA is likely (assuming the SMA achieves its objectives) to create taxable income or tax liabilities in excess of cash distributions to pay such liabilities. Prospective clients should consult with their own independent legal, tax, and financial advisors before investing in an SMA. Though by no means comprehensive, exhaustive, or all-inclusive, the following list of risk factors and conflicts of interest should be carefully evaluated before making an investment in an SMA.

### **Material Risks of Investment Program**

*Securities Investment Risks.* The Investment Manager may invest SMA assets in U.S. and international equities. The identification of investment opportunities in securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized by the Investment Manager. While investments in securities offer opportunities for significant capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a SMA's investments may not adequately compensate for the business and financial risks assumed. It is likely that major economic events could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. SMAs may make certain speculative investments in securities which the Investment Manager believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. In addition, SMAs may be required to hold such securities for a substantial

period of time before realizing their anticipated value. During this period, a portion of the SMA's funds would be committed to the securities purchased, thus possibly preventing the SMA from investing in other opportunities.

*Writing and Purchasing Options, Derivatives, and Swaps.* The Investment Manager may purchase and write options or trade derivatives and/or swaps, the prices of which are often very volatile. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, international trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of options and swap agreements also depends in part upon the price of the securities or currencies underlying them. Accordingly, options on highly volatile securities may be more expensive than options on other securities. Put options and call options typically have similar structural characteristics and operational mechanics, regardless of the underlying instrument on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency, or other instrument at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price. If a put or call option purchased by a SMA were permitted to expire without being sold or exercised, the SMA would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying security caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying security would then be sold to the SMA at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying security caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying security would then be sold by the SMA at a lower price than its current market value. Purchasing and writing put and call options and, in particular, writing "uncovered" options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security or currency above the exercise price of the option. This risk is enhanced if the security being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The securities necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing securities to satisfy the exercise of the call option can itself cause the price of the securities to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the SMA of all or a substantial portion of its assets. Options and swaps are subject to the risk of nonperformance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

*Exchange-Traded Funds.* The Investment Manager may invest in exchange-traded funds, which is a company that may invest in any number of securities, bonds, commodities, or other investment assets and is subject to SEC registration and regulations, primarily under the Investment Company Act of 1940, the Securities Act of 1933, and the Securities Exchange Act of 1934. Shares in an exchange-traded fund are generally not redeemable, meaning the issuing company has no obligation to redeem shares upon request by the shareholder. As shares of exchange-traded funds are traded publicly in the markets, the prices of such shares may vary widely



from their NAV, the risk being that once purchased, shares may never realize a price equal to or greater than their NAV.

*Short Sales.* The Investment Manager may sell securities short. Short selling involves the sale of a security that an SMA does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the SMA must borrow securities from a third party lender. The SMA subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. The SMA must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains his right to receive interest and dividends accruing to the securities. In exchange, in addition to lending the securities, the lender generally pays the SMA a fee for the use of the SMA's cash. This fee is based on prevailing interest rates, the availability of the particular security for borrowing and other market factors. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. The SMA may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found.

*Currencies.* The Investment Manager may hold or trade foreign currencies. The foreign exchange ("Forex") market is the place where currencies are traded. The Forex market is very loosely regulated and there is no central marketplace for currency exchange; rather, trade is conducted over-the-counter. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; United States and foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation, and; sentiments within the marketplace. Furthermore, in Forex markets specifically, fiscal, monetary, and exchange control programs and policies of governments play a large role in the fluctuation of currency prices. In addition, governments may from time to time intervene, directly and by regulation, in certain markets, particularly in currency markets. Such intervention is often intended to influence prices directly. Positions which are traded on the Forex market can be leveraged and, accordingly, such positions will generally carry a high degree of risk and can result in a loss of all, substantially all, or more than the total sum of the entire assets placed in the margin account.

*Futures and Derivatives.* The Investment Manager may trade futures and derivatives. The prices of many futures and derivative instruments are highly volatile, influenced by, among other things, the prices of currencies, securities, or other assets underlying them, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs and policies of governments, and national and international political and economic events and policies. SMAs are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or of counterparties.

*Asset-Backed Securities.* The Investment Manager may also invest in asset-backed securities, including mortgage-backed securities. Asset-backed securities are fixed-income securities

that are backed by cash-generating assets as collateral. Such securities are subject to interest rate risk, where the value of the assets fluctuates inversely with changes in interest rate levels. Additionally, default rates on loans used as collateral are highly unpredictable, making the value of asset-backed securities very volatile.

*Fixed-Income Securities.* The Investment Manager may invest in fixed-income securities. Among other securities, fixed-income securities include: bonds, notes, and debentures issued by U.S. corporations, and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations and are subject to price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity. The Investment Manager may invest in both investment grade and non-investment grade (commonly known as junk bonds) debt securities. Non-investment grade debt securities in the lowest rating categories may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than issuers of higher grade debt securities. In addition, the market for lower grade debt securities may be thinner and less active than for higher grade debt securities.

*Private Placements and Private Companies.* The Investment Manager may make private placements in public companies and investments in private companies. Such private placements and investments in private companies may be difficult to value and the resale market may be limited or illiquid, making liquidation of these assets difficult.

*Limited Offerings.* The Investment Manager may invest SMA assets in small and/or unseasoned companies with small market capitalizations, including through initial public offerings and secondary offerings. While smaller companies generally have greater potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially lower than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, an SMA may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to such lower trading volumes of smaller company securities. The Investment Manager will seek to ascertain the acceptability of risk and reward before making these investments.

*Real Estate and other Illiquid Investments.* The Investment Manager may invest in highly illiquid investments, such as investments in privately held companies. As the markets for these investments may be extremely small, valuation of such investments is difficult and the Investment Manager may be unable to quickly liquidate such investments. In such circumstances, an SMA may be forced to sell illiquid investments at significantly depressed prices or hold investments for long periods of time.

*Cash and Money Market Positions.* Although the Investment Manager intends for SMAs to be active in the U.S. markets, they may not be fully invested at any particular time and the

Investment Manager may increase SMAs' cash or money market position to up to 100% of their assets when the Investment Manager deems it prudent or when a defensive position is warranted in light of market conditions. During such times, SMAs will not participate in market advances or declines to the extent that they would have if SMAs had been fully or partially invested in U.S. equity markets.

## **Market Risks**

*Emerging Market Risks.* Foreign markets can be significantly more volatile than domestic markets, especially in developing countries, and this volatility is often compounded by the fluctuation of currency exchange rates, potentially impacting losses and profits from investing in foreign markets. Additionally, foreign markets may be less regulated and lack the level of transparency common in domestic markets, increasing the risk that an SMA might suffer financial loss from fraud or other deceptive practices.

*Concentration of Investments.* Investment management agreements generally do not limit the amount of an SMA's assets that may be invested in a single company, security, country, industry, or sector. Due to the Investment Manager's investment strategy, it is possible that a significant amount of an SMA's equity could be invested in the securities of only a few companies. The concentration of an SMA's portfolio in a small number of issuers or in any one industry would subject the SMA to a greater degree of risk with respect to the failure of one or a few issuers or with respect to economic downturns in relation to such industry.

*Leverage.* When deemed appropriate by the Investment Manager and subject to applicable regulations, the Investment Manager may use leverage in SMA investments, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Investment Manager purchases securities with borrowed funds, an SMA's net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of SMAs. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, an SMA's use of leverage would result in a lower rate of return than if the SMA were not leveraged. If the amount of borrowings which an SMA may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the SMA's portfolios will have disproportionately large effects in relation to the SMA's capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the net asset value of an SMA to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional moneys borrowed fails to cover their cost to the SMA, the net asset value of the SMA will generally decline faster than would otherwise be the case. Certain trading and investment activities of the Investment Manager may be subject to the Federal Reserve Bank's (FRB) margin requirements which are computed each day. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the customer is made. If the customer does not deposit additional funds with

the broker to meet the margin call within a reasonable time, the customers' position may be closed out. In the event of a precipitous drop in the value of the assets in an SMA, the Investment Manager might not be able to liquidate the SMA's assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, incurring substantial losses. With respect to the Investment Manager's trading activities, SMAs, and not the clients personally, will be subject to margin calls. Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Investors should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

*Hedging Transactions.* The Investment Manager may utilize financial instruments such as forward contracts, options and interest rate swaps, caps and floors to seek to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, certain changes in the equity markets and changes in interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Investment Manager to hedge against a fluctuation at a price sufficient to protect an SMA's assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying securities. Accordingly options on highly volatile securities may be more expensive than options on other securities and of limited utility in hedging against fluctuations in those securities. The Investment Manager is not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedging transactions are effected, their success is dependent on the Investment Manager's ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

*Trading Limitations.* For all securities listed on a securities exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject SMAs to loss. Also, such a suspension could render it impossible for the Investment Manager to liquidate positions and thereby expose SMAs to potential losses.

*Competition.* The securities industry and the varied strategies and techniques to be engaged in by the Investment Manager are extremely competitive and each involves a degree of risk. The Investment Manager will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

*Market Volatility.* The profitability of SMAs substantially depends upon the Investment Manager correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Investment Manager cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

**Interest Rate Risk.** Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Investment Manager may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Investment Manager will be successful in fully mitigating the impact of interest rate changes.

**Accuracy of Public Information.** The Investment Manager selects investments for SMAs, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Investment Manager by the issuers or through sources other than the issuers. Although the Investment Manager evaluates all such information and data and ordinarily seeks independent corroboration when the Investment Manager considers it is appropriate and reasonably available, the Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

**Risk of Default or Bankruptcy of Third Parties.** The Investment Manager may engage in transactions in securities and financial instruments that involve counterparties. Under certain conditions, an SMA could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, the SMA could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the SMA does business, or to which securities have been entrusted for custodial purposes.

## **Item 9. DISCIPLINARY INFORMATION**

The Investment Manager and its principals have no disciplinary history or record.

## **Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Related Persons**

In addition to its separately managed accounts business, the Investment Manager also serves as the sole investment manager of several private investment funds. NCM US Partners, LLC is the general partner of at least one of these investment funds and is a related person of the Investment Manager.

The Investment Manager simultaneously manages the investment programs of one or more SMAs and that of the private investment funds, creating a possible conflict of interest for the Investment Manager in allocating its time and resources to each. Nevertheless, the Investment Manager shall not neglect the business of any client or investment fund and shall give appropriate time and attention to the business of each as required in the Investment Manager's sole discretion. The investment programs and strategies of the SMAs and each of the investment funds may differ

significantly and the non-cash positions held in each SMA's and fund's portfolio may not overlap significantly with the others.

## **Item 11. CODE OF ETHICS; PARTICIPATION IN CLIENT TRANSACTIONS**

### **Code of Ethics**

The Investment Manager has adopted a code of ethics that prohibits insider trading and requires, among other things, that the Investment Manager maintain transaction records for employee options, securities, and futures transactions and places certain limitations or restrictions on employee trading. The Investment Manager will provide any client or prospective client with a copy of the Investment Manager's code of ethics upon request.

### **Investment Manager's Material Financial Interest in SMAs**

The Management Fee creates a material financial interest in each SMA for the Investment Manager. Consequently, the Management Fee may create a potential conflict of interest between the Investment Manager and each SMA, potentially causing the Investment Manager to target more risky investments in the pursuit of maximizing the Management Fee. However, the Investment Manager shall make all investment decisions with the client's, and not the Investment Manager's, best interests in mind. Furthermore, the Investment Manager has certain risk management procedures in place to control the risk of loss.

### **Investment Manager's Investment in Related Assets**

Principals, affiliates, and employees of the Investment Manager, from time to time, may trade for their own accounts. This could involve a conflict of interest in that such trades may be different from, or opposite to, those of one or more SMAs. It is possible that the proprietary positions taken by the Investment Manager's principals, affiliates, and employees may not be held for the same period of time or may be in different markets than positions taken by the Investment Manager on behalf of one or more SMAs. Accordingly, no assurance may be given that the proprietary trading results of the principals, affiliates, and employees of the Investment Manager will be the same as any SMA's performance. Moreover, the trading records of the proprietary accounts of the principals, affiliates, and employees of the Investment Manager will not be available for review or inspection by clients. As stated, situations may arise where one or more SMAs could be disadvantaged because of such trading activity.

## **Item 12. Brokerage Practices**

### **The Selection of Brokers for SMAs**

The Investment Manager has full investment discretion with respect to the initiation of all portfolio transactions for SMAs, as well as full authority to select one or more broker-dealers (collectively, the "Brokers") to execute such transactions. The Brokers will have certain administrative responsibilities, including the issuance of account statements and information with respect to transactions effected through other broker-dealers. The Brokers are allocated a portion

of each SMA's transactions, subject to principles of best execution. The Investment Manager may utilize a number of broker-dealers to effect transactions for each SMA. Broker-dealers are selected based upon the amount of commission, quality of execution, expertise in particular markets, the reputation, experience, and financial stability of the broker-dealer involved, and the quality of service, familiarity both with investment practices generally and the techniques employed by the Investment Manager, research, and analytic services and clearing and settlement capabilities, subject at all times to principles of best execution. The Investment Manager will routinely review the reasonableness of the Brokers' compensation.

In addition to the foregoing principles of broker-dealer selection, the Investment Manager may allocate a portion of each SMA's brokerage business to brokers on the basis of certain considerations, including the investment research provided by such firms, securities allocation, the availability of margin or other leverage, familiarity with the investment techniques employed by the Investment Manager, block positioning or other special execution capabilities, or other services provided to the SMAs. In so allocating brokerage, the commissions each SMA will pay to such brokers will not necessarily represent the lowest commission rate available, but will reflect the Investment Manager's evaluation of the research and other brokerage-related services supplied by such brokers which benefit the SMAs.

### **Soft Dollars**

Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"), is a "safe harbor" that permits an investment adviser to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. However, the Investment Manager will not accept "soft dollars" from any broker unless permitted in a client's IMA.

### **Aggregation of Orders**

As specified in each IMA, the Investment Manager may or may not seek to aggregate the orders of an SMA with those of any outside client or investment fund.

## **Item 13. REVIEW OF ACCOUNTS**

### **Review of Accounts**

Aleem Mawji, the President of NCM-S Corp., the general partner of the Investment Manager, actively reviews the portfolio of SMAs on a daily basis in accordance with the investment strategy of each SMA and the risk management practices of the Investment Manager.

### **Reports to Clients**

Clients are provided with a written report each fiscal quarter, or such shorter period as agreed in each IMA, as to the unaudited performance of the SMA. Additionally, the Investment Manager or the administrator provides year-end financial statements to clients as soon as practicable after the end of each fiscal year, including a statement of profit or loss for such fiscal year. The financial statements

will be prepared in a form deemed appropriate in the sole discretion of the Investment Manager or as outlined in each IMA.

#### **Item 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Clients may pay commissions and/or referral fees in connection with their SMA. Additionally, the Investment Manager may agree to share part of the Management Fee and/or Incentive Allocation with third parties who refer members to the Investment Manager. To the extent such arrangements were to arise, there would be a conflict of interest between the referring party and the client such that in the pursuit of receiving compensation the referring party may overlook the client's best interests. Accordingly, the Investment Manager will seek to ensure that an investment in an SMA is appropriate for each client referred to the Investment Manager by a placement agent.

#### **Item 15. CUSTODY & ACCOUNT STATEMENTS**

Clients will receive quarterly, or such shorter period described in their IMA, unaudited performance reports and account statements from the Investment Manager or the administrator, if any. Clients will also receive year-end unaudited financial statements as soon as practicable after the end of each fiscal year, including a statement of profit or loss for such fiscal year. Clients should carefully review all account statements and reports. If a client were to receive an account statement directly from the Investment Manager, such clients should compare such account statement with those received from the administrator, qualified custodian, or another third party service provider.

#### **Item 16. INVESTMENT DISCRETION**

The Investment Manager has complete authority to manage the SMAs. This authority is granted by the investment management agreement, which each client signs prior to setting up an SMA.

#### **Item 17. VOTING CLIENT SECURITIES**

The Investment Manager may vote securities held on behalf of SMAs and, accordingly, has adopted written policies and procedures that are reasonably designed to ensure that the Investment Manager votes securities in the best interests of the client. In each case, the Investment Manager shall place the interests of the client above all else when voting such securities. The voting of securities by the Investment Manager may present a conflict of interest between the Investment Manager and clients in those situations where the client would have voted differently than the Investment Manager chose to vote. Clients may obtain information regarding how the Investment Manager votes securities on behalf of their SMA by calling the Investment Manager at (203) 930-3103 and may also receive a copy of the Investment Manager's proxy voting policies and procedures upon request.



**Item 18. FINANCIAL INFORMATION**

Nebula Capital Management, LP does not require or solicit prepayment of any fees from clients six months or more in advance and, therefore, is not required to disclose its financial information in this brochure.

There is currently no financial condition that is reasonably likely to impair Nebula Capital Management, LP's ability to meet its contractual obligations to clients.

Nebula Capital Management, LP has not been the subject of a bankruptcy petition at any time during the past ten years.

**Item 1. Cover Page**

**Brochure Supplement**

**Aleem Mawji**

**Nebula Capital Management, LP**  
595 Summer Street, 2<sup>nd</sup> Floor  
Stamford, CT 06901

Telephone: (203) 930-3103

[www.nebulacapital.com](http://www.nebulacapital.com)

**June 11, 2012**

This brochure supplement provides information about Aleem Mawji that supplements the brochure of Nebula Capital Management, LP. You should have received a copy of that brochure. Please contact Timothy Hentzel at (203) 930-3103 if you did not receive Nebula Capital Management's brochure or if you have questions about the contents of this supplement.

Additional information about Aleem Mawji is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Name: Aleem Mawji

Born: 1974

CRD Number: 3007758

Education: Bachelor of Arts in Economics at Columbia University (1997)

Business Background: From September 1997 until August of 2008, Mr. Mawji worked at JPMorgan. Most recently, he served as Managing Director and Senior Portfolio Manager within the firm's proprietary trading business. In August 2008, Mr. Mawji co-founded the entity now known as Nebula Capital Management, LP. Mr. Mawji serves as the President of NCM-S Corp., which is the general partner of Nebula Capital Management, LP.

## **Item 3. DISCIPLINARY INFORMATION**

There are no legal or disciplinary events material to a client's or prospective client's evaluation of Aleem Mawji. Mr. Mawji has never been involved in a criminal or civil action in a domestic, foreign, or military court of competent jurisdiction in which 1) he was convicted of, or pled guilty or nolo contendere to any felony, a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion, or a conspiracy to commit any of those offenses; 2) he is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses; 3) he was found to have been involved in a violation of an investment-related statute or regulation, or; 4) he was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment related statute, rule, or order.

Mr. Mawji has never been involved in a self-regulatory organization proceeding or an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which he was 1) found guilty to have caused an investment-related business to lose its authorization to do business, or 2) was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority: a) denying, suspending, or revoking the authorization of Mr. Mawji to act in an investment-related business; b) barring or suspending Mr. Mawji's association with an investment-related business; c) otherwise significantly limiting Mr. Mawji's investment-related activities; or d) imposing a civil money penalty of more than \$2,500 on Mr. Mawji.

Mr. Mawji has never been involved in any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct.

#### **Item 4. OTHER BUSINESS ACTIVITIES**

Aleem Mawji is not currently engaged in any investment-related business or occupation outside of his role with Nebula Capital Management, LP and its affiliates.

#### **Item 5. ADDITIONAL COMPENSATION**

Aleem Mawji does not receive compensation or any other economic benefit from persons other than clients for providing advisory services to clients.

#### **Item 6. SUPERVISION**

As Mr. Mawji is the President of NCM-S Corp., the general partner of Nebula Capital Management, LP, and is the sole person with investment discretion for the firm, Mr. Mawji is responsible for directly supervising his own investment advisory activities. To facilitate this supervision, Mr. Mawji seeks to act in accordance with the investment advisory policies and ethical standards of the Adviser. Mr. Mawji may be contacted by telephone at (203) 930-3103. Timothy Hentzel, Chief Compliance Officer of Nebula Capital Management, LP, may also be reached at (203) 930-3103.

**NEBULA CAPITAL MANAGEMENT, LP**