

**STRATEGOS CAPITAL MANAGEMENT, LLC
PART 2A OF FORM ADV: FIRM BROCHURE**

March 29, 2012

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This Brochure provides information about the qualifications and business practices of Strategos Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at one of the contacts numbers listed above. 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 Strategos Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Strategos Capital Management, LLC is a registered investment adviser. Registration does not imply a certain level of skill or training.

Item 2 Summary of Material ChangesStrategos has made no material changes to its Brochure since Strategos Capital Management, LLC (“Strategos”) last updated its Brochure on March 31, 2011. In the future, this Item will discuss only specific material changes that are made to the Brochure since the last update to the Brochure. We will also reference the date of our last annual update of our Brochure.

We will deliver to clients a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. All such information will be provided to you free of charge.

Currently, our Brochure may be requested by contacting any of the individuals listed on the cover page of this Brochure.

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Item 4 Advisory Business Alex P. Cigolle and Frederick H. Horton, the two principal owners of Strategos, formed Strategos Investment Management Company, LLC in late 2010 to facilitate their purchase from Strategos Capital Management, LLC (as explained below, now known as Cira SCM, LLC), a wholly-owned subsidiary of Institutional Financial Markets Inc. (formerly known as Cohen & Company, Inc.) (“IFMI”), of the right to provide investment management services to certain separately managed accounts and private U.S. investment limited partnerships and foreign limited partnerships (i.e., hedge funds) (the “Purchased Assets”). Upon the closing of the acquisition, the seller (Strategos Capital Management, LLC) changed its name to “Cira SCM, LLC” (which we will refer to as “SCM” in this Brochure), and, shortly thereafter, we changed our name from Strategos Investment Management Company, LLC to “Strategos Capital Management, LLC”, which is the name we intend to use going forward.

This Part 2 Brochure relates solely to the sub-advisory services provided by Strategos under the Sub-Advisory Agreement (the “Sub-Advisory Services”), as described below. The investment advisory services that Strategos provides with respect to separately managed accounts and hedge funds (the “Deep Value Strategy Entities”) are described in a separate Part 2 Brochure, which is available from the firm upon request. Descriptions of the educational background and employment history of the two principals and all other advisory personnel of Strategos are included in the Brochure Supplement (Form ADV Part 2B), is also be available from the firm upon request.

Prior to the closing, on March 29, 2011, of the acquisition described above, the two principals of Strategos and certain other current Strategos investment advisory representatives were employees and investment advisory representatives of SCM and, in such capacity, provided direct investment advisory services to several collateralized debt obligation entities under management by SCM in its capacity as Collateral Manager (the “CDOs”). Upon the closing of the acquisition, such persons were hired by Strategos and their employment with, and provision of advisory services on behalf of, SCM terminated. However, in connection with the acquisition of the Purchased Assets, Strategos, SCM and IFMI entered into a Sub-Advisory Agreement (the “Sub-Advisory Agreement”), pursuant to which Strategos will render investment advice to SCM and provide assistance to SCM with respect to the provision of services that are required to be performed by SCM pursuant to the Collateral Management Agreements and Collateral Administration Agreements related to the CDOs. These services include, without limitation, the following:

- providing the trustee or issuer of any particular CDO with information or data so that the applicable trustee or issuer can prepare certain reports (including valuation reports related to the Collateral Debt Security);
- determining if any Collateral Debt Security held by a CDO is a defaulted security; and
- providing such other CDO services as reasonably requested by SCM that are required by or deemed necessary by SCM in connection with the CDO Agreements (e.g., responding to any inquiry from any third persons (including investors in CDOs) related to the CDOs).

The underlying collateral debt securities held by the CDOs are primarily made up of residential mortgage backed securities (“RMBS”), commercial mortgage backed securities (“CMBS”), other

asset backed securities (“ABS”) and securities consisting of various tranches of unaffiliated collateralized debt obligation entities (“CDO Collateral Securities”, and together with the RMBS, CMBS and ABS, the “Collateral Debt Securities”).

Strategos provides the Sub-Advisory Services to SCM and investment advice to the CDOs on a non-discretionary basis given certain restrictions placed on the purchase and sale of the underlying collateral debt securities of the CDOs. The foregoing restrictions were placed on the CDOs, and on SCM as Collateral Manager of the CDOs, by the provisions of the indentures of the CDOs as a result of the significant credit deterioration suffered by each CDO. Pursuant to the indentures of each CDO, SCM is only permitted to sell defaulted or credit risk Collateral Debt Securities held in the CDO and any such sale must usually be approved by the CDO’s super senior or controlling class of investors (the “Controlling Class”). In addition, the CDOs and, on their behalf, SCM, are currently prohibited from purchasing any Collateral Debt Securities and such prohibition will likely exist going forward. Occasionally, upon the request of the Controlling Class, SCM or Strategos will provide investment advice and analysis to the Controlling Class in connection with the Controlling Class’ decision to sell a defaulted or credit risk Collateral Debt Security in a particular CDO, but the ultimate decision to actually sell any such Collateral Debt Security usually lies with the Controlling Class and not SCM or Strategos. A description of the methods of analysis employed by Strategos when providing advice to the Controlling Class related to selling a defaulted or credit risk Collateral Debt Security is set forth in Item 8 below.

Strategos notes that SCM is an independent, unaffiliated registered investment adviser whose sole clients are the CDOs. As such, it is Strategos’ understanding that SCM has prepared or will prepare, and deliver, to the CDOs its own Part 2 Brochure. Therefore, Strategos instructs the CDOs to review not only this Part 2 Brochure but also the Part 2 Brochure of SCM.

Strategos’ provision of Sub-Advisory Services to the CDOs is tailored for each CDO since each of the Indentures of the CDOs imposes restrictions on the CDO’s investment in certain securities or certain types of securities. Strategos notes, however, that, in any case, none of the CDOs are currently investing in any new Collateral Debt Securities and such authority to invest in new Collateral Debt Securities is not expected to occur in the future.

A copy of the offering circular or offering memorandum issued in connection with the offering of each of the CDOs is available from SCM or Strategos upon request.

As of February 28, 2011, SCM as advisor, and Strategos as Sub-Advisor, managed assets related to the CDOs under Sub-Advisory Agreement totaling approximately \$3,884,400,000 on a non-discretionary basis. Strategos does not manage any assets under the Sub-Advisory Agreement on a discretionary basis (but Strategos does manage assets related to the Deep Value Strategy Entities (as defined in paragraph 2 of Item 4) on a discretionary basis).

Strategos’ principal office and place of business is located at 2929 Arch Street, 17th Floor, Philadelphia, PA 19104. Regular business hours are from 9:00 a.m. to 5:00 p.m., Monday through Friday.

Item 5 Fees and CompensationPursuant to the Sub-Advisory Agreement, for each CDO Agreement during each calendar month while the Sub-Advisory Agreement is in effect starting on March 29, 2011, Strategos will receive from SCM an amount equal to ten percent (10%) of all management fees earned by SCM with respect to its management of the CDOs during any such calendar month. Such fees shall be paid by SCM to Strategos no later than 10 business days after the end of the applicable calendar month in which SCM receives the fees from the CDOs. In addition, SCM will pay Strategos an annual fee of \$10,000 as additional consideration for each year during which the Sub-Advisory Agreement remains in place.

Strategos does not bill any of the CDOs for the foregoing fees or deduct such fees from the assets of the CDOs.

See Item 12 of this Brochure for a discussion of Strategos' brokerage practices.

Item 6 Performance-Based Fees and Side-By-Side ManagementSCM does not pay Strategos performance-based fees with respect to any of Strategos' services on behalf of SCM or CDOs.

Item 7 Types of ClientsAs explained above, pursuant to the Sub-Advisory Agreement, Strategos provides investment advice to SCM, a registered investment adviser, and assists SCM with respect to certain of its obligations as Collateral Manager for the CDOs. Additionally, investors (which are usually large institutional investors and, typically, the Controlling Class) of the CDOs will occasionally contact Strategos for advice related to their investment in the CDOs.

None of the CDOs are open to new investors, so there are no minimum capital commitments.

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

As explained above in Item 4 above, the CDOs primarily hold Collateral Debt Securities. The CDOs do not currently purchase any new or additional Collateral Debt Securities and it is not envisioned that the CDOs will purchase any new Collateral Debt Securities in the future. In addition, as further described in Item 4 above, neither SCM nor Strategos have discretionary authority to sell any Collateral Debt Securities that make up the collateral held by the CDOs. Occasionally, a Controlling Class of a CDO may request Strategos' assistance in determining the valuation and analysis of certain Collateral Debt Securities in connection with the Controlling Class's decision whether to sell such Collateral Debt Securities. To assist in its investment analysis related of certain Collateral Debt Securities at the request of a CDO's Controlling Class, Strategos employs the following method of analysis:

Strategos may obtain advice from attorneys, accountants, mortgage origination and servicing personnel and other experts and may obtain information about the Collateral Debt Securities from the following sources:

- inspections of origination and servicing activities;
- monthly servicer/trustee reports and payment detail;

- monthly mortgage loan level data on a market wide basis;
- materials prepared by others including investment bank research reports, broker/dealer trading commentaries and financial periodical articles;
- rating agency analysis;
- annual reports, prospectuses, filings with the Securities and Exchange Commission, press releases and other issue-prepared information; and
- independent pricing services from dealers or other third parties.

The CDOs are in various stages of deleveraging and none are acquiring new assets. The most common form of deleveraging is the general write-down and prepayment of the underlying Collateral Debt Securities. On rare occasions SCM will cause, typically with the assistance from Strategos, the sale of a defaulted or credit risk Collateral Debt Security. Any such sales will usually be at the direction of the Controlling Class and will usually be contingent upon the approval of the Controlling Class.

B. Material Risks Associated with Methods of Analysis

As explained above, none of the CDOs are currently permitted to purchase any further Collateral Debt Securities. Strategos briefly describes below the materials risks SCM or Strategos may take into account when analyzing and determining whether it makes sense to sell, usually on behalf of the Controlling Class, a defaulted or credit risk Collateral Debt Security held by a CDO. A full set of risks were initially disclosed in further detail in the offering circular or offering memorandum of each CDO, a copy of which is available upon request.

Highly Volatile Markets. The prices of assets in the Collateral Debt Securities market are highly volatile. Price movements of Collateral Debt Securities are influenced by, among other things, interest rates, housing price changes, unemployment, wage growth, availability and cost of credit, complexity of the assets and their associated legal documentation, loan level performance data, structuring and performance models, counterparty risk including, but not limited to, supply and demand in the housing market, changing supply and demand relationships for these assets, level of available leverage for these assets, trade, fiscal, monetary, regulatory and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in the markets where Collateral Debt Securities trade. Such intervention often is intended directly to influence prices and may, together with other factors, materially impact asset prices in unpredictable ways or in a direction harmful to the performance of a CDO.

Institutional Risk. The institutions, including brokerage firms, banks, originators, servicers, mortgage insurers, bond insurers, rating agencies, and other entities, with which SCM or Strategos will trade or rely upon for the performance of the Collateral Debt Securities and underlying mortgage loans, have in many instances encountered and may encounter further financial difficulties, including insolvency, that negatively affect the Collateral Debt Securities.

Recent events relating to Subprime RMBS. A portion of the RMBS which SCM invested on behalf of the CDOs may have been originated or serviced (or both) by mortgage companies who filed bankruptcy proceedings or had regulatory enforcement actions against them, which may affect their ability to continue to service or subservice mortgage loans. Servicers who have

sought bankruptcy protection may, due to the application of applicable law in this proceeding, also no longer be required to make servicer advances.

The adverse changes in market conditions and regulatory climate may reduce the cash flow from RMBS and increase the incidence and severity of credit events. Furthermore, adverse changes in market conditions resulted in a severe liquidity crisis in the market for RMBS during the 2007 to 2009 timeframe and have since shown signs of improvement. However, any increased unwillingness by banks, financial institutions and investors to extend credit to servicers and other participants in the market for these securities could result in the liquidity and/or the market value of RMBS that are owned by the CDOs to experience declines.

Lack of Asset Diversification. The CDOs generally have limited asset diversification in terms of their asset classes. As a result, CDOs may be more susceptible to risks associated with a single economic, housing, contract law, political or regulatory occurrence than a more diversified portfolio might be.

Reliance on Industry Data Sources and Structuring Models. Recent events in the United States and around the world have demonstrated the material losses that investors in Collateral Debt Securities can incur as a result of the difficulty in creating useable data to create adequate models. In addition, the unprecedented deterioration of mortgage loan performance and home price movements have demonstrated the material losses that investors in Collateral Debt Securities can incur as a result of unexpected performance changes.

Credit Default Swaps. The CDOs, in many cases, are invested in credit default swap agreements. The “buyer” in a credit default contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or “par value,” of the reference obligation in exchange for the reference obligation. A client may be either the buyer or seller in a credit default swap transaction. If a client is a buyer and no event of default occurs, the client will lose its investment and recover nothing. However, if an event of default occurs, the client (if the buyer) will receive the full notional value of the reference obligation that may have little or no value. As a seller, a client receives a fixed rate of income throughout the term of the contract provided that there is no default event. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation. Credit default swap transactions involve greater risks than if a client had invested in the reference obligation directly. Swaps are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty. The credit default swap agreements within the CDOs are seller contracts. In many instances, these contracts have had events of default and the CDO has had to pay in full the notional value of the contract.

Risk of Counterparty Default. The stability and liquidity of swap transactions and credit default swaps depend in large part on the creditworthiness of the parties to the transactions. If there is a default by the counterparty, the CDOs will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs.

Credit Risk. A CDO also is subject to credit risk, i.e., the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay. This is broadly gauged by the credit ratings of the securities in which a client invests. However, ratings are only the opinions of the agencies issuing them, may change less quickly than relevant circumstances and are not absolute guarantees of the quality of the securities. A default, downgrade or credit impairment of any of the CDOs investments could result in a significant or even total loss of the investment.

Liquidity Risk. A CDO's investments may at any given time be illiquid such that either no market exists for them or they are restricted as to their transferability under federal and state securities laws. Thus, the sale of investments in CDOs may be made at substantial discounts, delayed or impossible. In addition, the illiquidity of a security or other instrument held by a CDO may also make it difficult for Strategos to value such investments when requested to. For example, during the RMBS market dislocation, there were periods during which the majority of market participants did not provide mark to market quotes, engage in active market making, or maintain traditional inventory levels, and they effectively charged wide bid ask spreads for clearing bond purchases and sales between investors. During these periods, the ability to receive reliable, independent third party mark to market on assets and the ability to sell in a short period, if at all, at reasonable execution costs was severely challenged.

Investing in securities issued by CDOs, and/or investing in Collateral Debt Securities, involves the possible risk of loss of all or a significant portion of value of such securities that clients should be prepared to bear. Strategos in no way guarantees performance or results.

C. Material Risks Associated with Securities that Strategos recommends the CDOs to Purchase

As explained elsewhere, none of the CDOs are currently permitted to purchase any further Collateral Debt Securities. The material risks related to purchasing Collateral Debt Securities in the past were disclosed in the offering circular or offering memorandum of each CDO, a copy of which is available upon request.

Item 9 Disciplinary Information Neither Strategos nor any of its management persons or other personnel have any legal or disciplinary events to disclose that are material to a client's or prospective client's evaluation of Strategos' advisory business or the integrity of Strategos' management.

Item 10 Other Financial Industry Activities and Affiliations Strategos acts as a manager to, or, through an affiliate, a general partner of certain private U.S. investment limited partnerships, foreign investment companies, foreign limited partnerships and other collective investment vehicles structured either as a closed-end private equity style investment vehicle or an open-end hedge fund style investment vehicle (each, a "Fund" and collectively, the "Funds"). Investments in any of the Funds of which Strategos is a manager or one of Strategos' affiliates is a general partner are conducted on a private placement basis and prospective investors are solicited only by means of the current private placement memorandum of the relevant Fund. The following is a list of limited partnerships or offshore entities for which, as of the date hereof, Strategos acts as manager and/or an affiliate of Strategos acts as general partner:

- Strategos Deep Value Mortgage Master Fund II, Ltd.;
- Strategos Deep Value Mortgage Fund II LP;
- Strategos Deep Value Fund LP;
- Strategos Deep Value Fund Ltd.; and

Strategos Deep Value Master Fund L.P. Strategos does not believe that (i) acting as a manager to, or one of its affiliates acting as general partner of, any of the foregoing Funds, or (ii) providing investment management services to any of the foregoing Funds, creates any material conflicts of interest with Strategos' providing investment advice with respect to the CDOs. Strategos has a policy that if a Collateral Debt Security is sold from a CDO (whether partially or wholly on reliance on investment advice from Strategos, or independently without reliance on Strategos' advice) none of Strategos' other clients (that is, the separately managed accounts and hedge funds) are permitted to purchase such Collateral Debt Security.

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

Strategos has a fiduciary duty to its clients to act in the best interest of the clients and to always place the clients' interests first and foremost. Strategos takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Strategos' policies and procedures. Furthermore, Strategos strives to handle clients' non-public information in such a way as to protect information from falling into hands of persons that have no reason to know such information and provides clients with a copy of its Privacy Policy. Strategos maintains a Code of Ethics for its advisory representatives, supervised persons and staff, which establishes Strategos' expectation for business conduct and contains provisions for, among other things, standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about client transactions.

Strategos will provide a copy of its Code of Ethics to any client or prospective client upon request.

B. Participation or Interest in Client Transactions and Personal Trading

Neither Strategos nor any of its related persons:

- recommends to clients, or buys or sells for client accounts, securities in which Strategos or a related person has a material financial interest;
- invests in the same securities (or related securities – e.g., warrants, options or futures) that Strategos or any of Strategos' related persons recommends to clients;
- recommends securities to its clients, or buys or sells securities for client accounts, at or about the same time that Strategos or any of Strategos' related persons buys or sells the same securities for Strategos' own (or the related person's own) account.

Item 12 Brokerage Practices Strategos, when advising the Controlling Class or when advising SCM, has the following brokerage practices. Strategos' goal is to provide (or to assist SCM in providing) best execution at all times. In selecting brokers to effect sales of Collateral

Debt Securities and determining the reasonableness of such broker's compensation, Strategos will consider, to the extent consistent with Strategos' obligation to obtain best execution, such factors as:

- price;
- the ability of such broker to effect the transaction;
- the broker's facilities, reliability and financial responsibility;
- the commissions charged for the services;
- the market niches served by such broker;
- the quality of execution provided; and
- the operational support provided and the financial ability of such broker to handle large orders in the market place.

As mentioned previously, sales of Collateral Debt Securities usually require the approval of the Controlling Class. If the Controlling Class of a CDO and SCM and/or Strategos agree that the CDO should sell a defaulted or credit risk Collateral Debt Security, then it is typical that the Controlling Class would request that SCM or Strategos execute such sale through a broker-dealer specified by the Controlling Class. Strategos has a current policy that, in this case, if Strategos is unable to locate a better price in the marketplace, it will agree to trade with the broker-dealer specified by the Controlling Class. However the specified broker-dealer will not be affiliated or have another economic relationship that creates a conflict of interest with Strategos.

Given the various restrictions placed on sales of Collateral Debt Securities by the CDOs (as described above) and the fact that the CDOs are in various stages of deleveraging, Strategos does not have the opportunity to aggregate sales of defaulted or credit risk Collateral Debt Securities across one or more CDOs.

Item 13 Review of Accounts Strategos reviews each CDO and the Collateral Debt Securities they hold on a monthly basis in conjunction with Strategos' responsibilities as Sub-Advisor to SCM. Monthly reviews entail performing monthly mark-to-market of the distressed Collateral Debt Securities as well as reviewing the monthly underlying performance data of the Collateral Debt Securities. Strategos also assists SCM in monitoring month-to-month changes in the ratings of the Collateral Debt Securities. Additionally, Strategos assists SCM in reviewing the monthly reports issued by the trustee of each respective CDO to review consistency with the requirements under each Indenture for each CDO. All reviews and monitoring are done by the following supervised persons of Strategos: Alex Cigolle, Managing Director; David Gregory, Vice President; Zineb Ramadane, Vice President; Matthew Nannen, Director; and Edward Barlow, Associate.

There are generally no factors that trigger any additional non-periodic reviews other than requests by the Controlling Class of a CDO for Strategos' assistance in analyzing the CDO's ability to sell one or more of the defaulted or credit risk Collateral Debt Securities held by the CDO.

Item 14 Client Referrals and Other Compensation Strategos receives no economic benefit from any non-clients for providing investment advice or other advisory services to its clients.

Item 15 Custody Strategos does not have custody of CDO funds or securities. Clients receive monthly statements from each CDO's trustee, a qualified custodian, who holds and maintains the CDO's investment assets.

Item 16 Investment Discretion As described in Item 4 above, Strategos provides the Sub-Advisory Services to SCM and investment advice to the CDOs on a non-discretionary basis given certain restrictions placed on the purchase and sale of the underlying collateral debt securities of the CDOs.

Item 17 Voting Client Securities Under the Sub-Advisory Agreement, Strategos does not have the authority to vote any of the Collateral Debt Securities held by the CDOs. Strategos will provide investment advice to SCM to assist SCM if and when SCM votes any Collateral Debt Securities, but the actually voting of client securities will be done by SCM (if permitted pursuant to the terms of the particular CDO indenture).

Item 18 Financial Information There are no financial conditions of Strategos that are reasonably likely to impair Strategos' ability to meet its contractual commitments to its clients.