

**Manalapan Oracle Capital Management LLC**

**October 10, 2012**

---

**This brochure provides information about the qualifications and business practices of Manalapan Oracle Capital Management LLC (the “Adviser”) , an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 732 282-9496. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any *state securities authority*.**

**Additional information about Manalapan Oracle Capital Management LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

**Manalapan Oracle Capital Management LLC**

620 Tinton Avenue, Building A, Suite 202

Tinton Falls, NJ 07724

Tel: 732 282-9496

Fax: 732 282-1230

Website: [www.manalapanoracle.com](http://www.manalapanoracle.com)

---

**Item 3. Table of Contents**

Item 4. Advisory Business.....	1
Item 5. Fees and Compensation.....	2
Item 6. Performance-Based Fees and Side-by-Side Management.....	3
Item 7. Types of Clients.....	4
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9. Disciplinary Information.....	7
Item 10. Other Financial Industry Activities and Affiliations.....	8
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
Item 12. Brokerage Practices.....	10
Item 13. Review of Accounts.....	12
Item 14. Client Referrals and Other Compensation.....	13
Item 15. Custody.....	14
Item 16. Investment Discretion.....	15
Item 17. Voting Client Securities.....	16
Item 18. Financial Information.....	17

---

#### **Item 4. Advisory Business**

Manalapan Oracle Capital Management LLC is a registered investment advisor based in Tinton Falls, New Jersey. We are organized as a limited liability company under the laws of the State of Delaware. Our company was formed in May, 2008.

We have two principal owners – Joseph Vidich who owns 58% of our company and Nicholas Davidge who owns 28%.

We only manage client assets on a discretionary basis.

We provide investment advisory services to our clients, that consist of separately managed accounts and pooled investment vehicles, which intended for sophisticated investors and institutional investors.

We do not tailor our advisory services to the individual needs of clients. We provide advice to clients based on specific investment objectives and strategies. Our separately managed account clients may impose restrictions on investing in certain securities or certain types of securities.

As of January 1, 2012 our client assets under discretionary management were \$128.9 million.

---

## Item 5. Fees and Compensation

Our standard fee structure for our clients is a quarterly management fee paid in arrears calculated at a rate ranging from 1.5-2% per annum) of the client's net assets and a 20% annual incentive fee/allocation. The Adviser, in its sole discretion, may waive or reduce the management fee or incentive fee/allocation to be paid to it by investors that are members, principals, employees or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

After calculating the management fees and the incentive fee/allocation, and confirming such amounts with the Adviser, the client's administrator deducts the management fee and/or incentive fee/allocation from the clients (or its investors, as applicable).

In addition to paying the management fees and if applicable, incentive fees/allocations, the clients (and their investors) will also be subject to other expenses such as legal, accounting, auditing and other professional expenses, organizational expenses, administrator fees and expenses, research expenses, investment expenses such as commissions, custodial fees, bank service fees, directors' fees and expenses and other expenses related to the purchase, sale or transmittal of client assets. In addition, certain client assets may be invested in pooled investment vehicles. In these cases, clients will bear their pro rata share of the underlying fund's operating and other expenses including, in addition to those listed above: legal expenses; external accounting, audit and tax preparation expenses, and organizational expenses.

We do not request that clients pre-pay fees. Should a client redeem their funds prior to a quarter-end period, management fees are pro-rated for the portion of the quarter not managed by us. Performance fees are calculated up to the point where the client investment was redeemed.

---

**Item 6. Performance-Based Fees and Side-by-Side Management**

We provide investment management services to multiple portfolios for multiple Clients. We are paid performance-based compensation by our private pooled investment vehicle clients and other client accounts. In addition, our investment personnel are typically compensated on a basis that includes a performance-based component.

We have adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. Our procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata based on asset size. We employ trade management computer systems to allocate trades among client accounts pro rata based on account equity and require that, to the extent orders are aggregated, the client orders are price-averaged. These areas are monitored by our Chief Compliance Officer.

---

**Item 7. Types of Clients**

Our clients consist of pooled investment vehicles, investment companies and other business entities.

We generally require that a separately managed account client invests a minimum of \$10,000,000 to open an account and to maintain a minimum account size of \$10,000,000 for separate accounts. If the account size falls below the minimum requirement due to market fluctuations only, a client will not be required to invest additional funds to meet the minimum account size.

With respect to any client that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the offering memorandum for the pooled investment vehicle.

---

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

We utilize a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research, charting analysis, cyclical analysis as well as use of quantitative tools and investment approaches, or technical analytical tools and approaches.

We employ the following investment strategies:

*Equity.* Our equity strategy focuses on a broad range of equity investment styles, including growth and value. Depending on market conditions we modify our investments' market capitalizations to account for our estimation of economic risk that, in our view, is more apt to adversely impact smaller capitalization companies.

*Short Selling.* We engage in short selling strategies. In a short sale transaction, we sell a security we do not own in anticipation that the market price of that security will decline. We make short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) in order to maintain flexibility and, (iii) for trading profit.

*Short-Term Market Timing.* We engage in a short-term market timing investment strategy wherein we attempt to anticipate the market price of a stock before the stock's price reacts to market forces by analyzing macroeconomic and market trends, and then sell the stock shortly after the stock's price is influenced by market movements.

These methods, strategies and investments involve risk of loss to our clients and our clients must be prepared to bear the loss of their entire investment.

The following is an overview of certain material risks related to our investment strategies:

*Hedging.* There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while we may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the our investment portfolios than if we did not engage in any such hedging transactions.

*Issuer-Specific Changes.* Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

*Lack of Diversification.* Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if we were required to maintain a wider diversification among types of securities and other instruments.

*Leverage.* Performance may be more volatile if a client's account employs leverage.

*Short Selling Risk.* Our investment program includes a significant amount of short selling. Short selling transactions expose us to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by us in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein we might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Our primary strategy uses frequent trading which results in significantly higher commissions and charges to client accounts due to increased brokerage, which will offset client profits.

*Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.



---

**Item 9. Disciplinary Information**

This Item is not applicable.

---

## **Item 10. Other Financial Industry Activities and Affiliations**

We have a related party, Manalapan Oracle Advisers LLC, who serves as general partner to one of our pooled-investment vehicle clients, and Joseph Vidich and Nicholas Davidge are the managing members of Manalapan Oracle Advisers LLC.

While there are currently no side letters in effect, each of the pooled-investment vehicle clients for which we (or our affiliate) serve as general partner or investment manager has and may in the future enter into agreements, or “side letters,” with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the applicable pooled-investment vehicle client.

For example, such terms and conditions may provide for special rights to make future investments in the pooled-investment vehicle, other investment vehicles or managed accounts; special withdrawal/redemption rights, relating to frequency or notice; a waiver or rebate in fees or withdrawal/redemption penalties to be paid by the investor and/or other terms; rights to receive reports from the pooled-investment vehicle on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the pooled-investment vehicle or Adviser and such investors. The modifications are solely at the discretion of the pooled-investment vehicle and may, among other things, be based on the size of the investor’s investment in the pooled-investment vehicle or affiliated investment entity, an agreement by a investor to maintain such investment in the pooled-investment vehicle for a significant period of time, or other similar commitment by a investor to the pooled-investment vehicle or Adviser.

---

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

We have adopted a Code of Ethics (the "Code") that obligates us and our related persons to put the interests of our clients before our own interests and to act honestly and fairly in all respects in their dealings with clients. All of our personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Aileen Cudia (Chief Compliance Officer) by email at [aileen.cudia@manalapanoracle.com](mailto:aileen.cudia@manalapanoracle.com), or by telephone at 732 282-9496.

We or our related persons invest in the same securities (or related securities, e.g., warrants, options or futures) that we recommends to clients. Such practices present a conflict where, because of the information we have, we or our related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting our or our related person's objectivity, these practices by us or our related persons may also harm clients by adversely affecting the price at which the clients' trades are executed.

We have adopted the following procedures in an effort to minimize such conflicts: We require our access persons to preclear all transactions in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of our clients. All our related persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. All of our related persons are also required to provide broker confirmations of each transaction in which they engage and an annual certification of such transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the client accounts.

To the extent that we or a related person or any of our employees owns securities that we or our related person also recommends to clients, such clients' proxies will be voted according to predetermined guidelines rather than subject to ours (or our related person's) discretion.

In addition to potentially holding the same investments as our clients, we or a related person may, from time to time, recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that we or our related person buy or sell the same securities for our own account in accordance with the procedures described above. As stated above, in order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for us or our related person to the detriment of the client, all trades by us or our related persons must be reviewed and pre-cleared by our Chief Compliance Officer, who will take into account the affect, if any on contemporaneous trading our accounts and the accounts of our clients..

---

## Item 12. Brokerage Practices

We consider a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, offering to us on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. Our Chief Compliance Officer, Chief Investment Officer and traders meet periodically to evaluate the broker-dealers used by us to execute client trades using the foregoing factors.

An Adviser can receive research or other products or services other than execution from a broker-dealer in connection with client securities transactions. This is known as a "soft dollar" relationship. An Adviser can limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); software providing analysis of securities portfolios; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

To the extent we use client commissions to obtain Section 28(e) eligible research and brokerage products and services, our Chief Compliance Officer, traders and portfolio managers will meet periodically to review and evaluate our soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or our overall responsibilities to the accounts or portfolios over which we exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

During our last fiscal year, as a result of client brokerage commissions (or markups or markdowns), we and/or our related persons acquired access to research and market analysis provided by our prime broker at no additional cost.

From time to time we may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by us or recommend these private funds as an investment to clients. We may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if we determine that it is otherwise consistent with seeking best execution. In no event will we select a broker-dealer as a means of

remuneration for recommending us or any other product managed by us (or an affiliate) or affording us with the opportunity to participate in capital introduction programs.

We often purchase or sell the same security for many clients at or near the same time and using the same executing broker. It is our practice, where possible, to aggregate client orders for the purchase or sale of the same security submitted at or near the same time for execution using the same executing broker. Such aggregation may enable us to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, we allocate the securities purchased or proceeds of sale pro-rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, our procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to our clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating clients.

---

**Item 13. Review of Accounts**

Each client account is reviewed by our portfolio manager on a at least a monthly basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account.

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular client, or specific arrangements with particular clients may trigger reviews of client accounts on other than a periodic basis.

Each client that is a separate account will receive portfolio reports from us as provided on an on-demand basis by the clients' prime broker. Such reports may be delivered electronically to the client in accordance with the client's agreement with the Adviser.

Our pooled-investment vehicle client receive reports pursuant to the terms of each our client's offering memoranda or as otherwise described in the offering document of the client.

---

**Item 14. Client Referrals and Other Compensation**

We may receive certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for us to select or recommend broker-dealers based on our interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by us on behalf of our clients. Please see Item 12 for further information on our “soft-dollar” practices, including our procedures for addressing conflicts of interest that arise from such practices.

We make cash payments to third-party solicitors for client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with us pursuant to which the solicitor will provide each prospective client with a copy of our Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and us and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations.

This Item is not applicable.



---

**Item 16. Investment Discretion**

We provide investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on our discretionary authority.

Prior to assuming full discretion in managing a client's assets, we enter into an investment management agreement or other agreement that sets forth the scope of our discretion.

Although it is our policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead us to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

If it appears that a trade error has occurred, we will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, our error correction procedure is to ensure that clients are treated fairly and, following error correction, are in the same position they would have been if the error had not occurred. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a client account incurs a trade error as a result of our gross negligence, willful misconduct, or fraud, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that our client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the client account.

---

**Item 17. Voting Client Securities**

To the extent we have been delegated proxy voting authority on behalf of our clients, we comply with the proxy voting policies and procedures that are designed to ensure that in cases where we votes proxies with respect to client securities, such proxies are voted in the best interests of our clients.

Our clients are not permitted to direct their votes in a particular solicitation.

If a material conflict of interest between us and a client exists, we will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of our client or take some other appropriate action. We do not make any qualitative judgment regarding our client's investments.

Clients may obtain a copy of the our proxy voting policies and procedures and information about how we r voted a client's proxies by contacting Aileen Cudia (Chief Compliance Officer) by email at [aileen.cudia@manalapanoracle.com](mailto:aileen.cudia@manalapanoracle.com) or by telephone at 732 282-9496.

---

**Item 18. Financial Information**

This Item is not applicable