



Mesirow Financial Alternative Investments, LLC

Currency Alpha

353 North Clark Street

Chicago, Illinois 60654

Telephone—312.595.6105

Email—mkurk@mesirowfinancial.com

Web Address—mesirowfinancial.com

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This brochure provides information about the qualifications and business practices of the Currency Alpha division of Mesirow Financial Alternative Investments, LLC ("MFAI Currency Alpha"). If you have any questions about the contents of this brochure, please contact Marisa Kurk at 312.595.6105 or mkurk@mesirowfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Mesirow Alternative Investments, LLC ("MFAI") also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. MFAI's CRD number is 158314.

ITEM 2 | **Material Changes**

This Firm Brochure, dated June 27, 2012, is MFAI Currency Alpha's disclosure document prepared according to the SEC's current requirements and rules.

This item will be used to provide a summary of new and/or updated information. MFAI Currency Alpha will provide updates based on the nature of the information.

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ITEM 4 | **Advisory Business**

MFAI, a Delaware limited liability company formed in 2011, is an investment advisor registered with the SEC with its principal place of business located in Illinois. MFAI does not provide tax or legal advice. Clients should consult with an expert on matters pertaining to tax or legal matters.

MFAI's sole member is Mesirow Financial Services, Inc., which is a wholly-owned subsidiary of Mesirow Financial Holdings, Inc.

MFAI Currency Alpha will offer advisory Currency Advisory Services solely for eligible contract participants ("ECP"), as defined by the Commodities Exchange Act, through separately managed accounts and funds.

CURRENCY ADVISORY SERVICE

MFAI Currency Alpha provides investment advisory services and products to clients relating to currency trading on a discretionary basis. MFAI Currency Alpha provides clients with access to the firm's trading methodology. The methodology employed is based on proprietary models that measure price direction and volatility, from a quantitative statistical perspective.

MFAI Currency Alpha may also provide currency services to an affiliated investment advisor.

INVESTMENT FUNDS

MFAI Currency Alpha serves as the investment manager. Currently, MFAI Currency Alpha serves as an investment manager to funds with a master-feeder structure. Risk disclosures relating to fund investing are outlined in the funds' respective offering memorandums.

MFAI also serves as general partner to a number of private investment vehicles structured as limited partnerships in other divisions.

As of March 31, 2012, MFAI Currency Alpha manages approximately \$4.4 million in client assets on a discretionary basis.

ITEM 5 | **Fees and Compensation**

The typical fee structure includes a quarterly management fee, which may range up to 2.0% per annum, plus a performance fee of 20%. The management fee is based on the average market value of a client's portfolio for a quarter, which will be the sum of the market value of the portfolio on each trading day within that quarter divided by the total number of days in the quarter.

The management fee is payable in arrears on the 30th business day after the end of each quarter. Because the management fee is paid in arrears, refunds for fees paid are not given.

In the event an account terminates, fees will be prorated for the number of days the account was under management. Fees are typically billed to the client or assessed by a Fund's administrator.

Limited Negotiability of Advisory Fees Although MFAI has established the aforementioned fee schedule(s), it retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These facts, circumstances and needs may include, among other factors, the complexity of the client; assets to be placed under management; anticipated future additional assets; related accounts; portfolio style; account composition; and reporting requirements. The specific annual fee schedule will be identified in the contract between the advisor and each client.

Termination of the Advisory Relationship Clients that invest in separately managed accounts typically may terminate their investment management agreement upon providing 30 days prior written notice. Certain fees may be paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees are generally refunded. In calculating a client's reimbursement of fees, MFAI may pro rate the reimbursement according to the number of days remaining in the billing period. In certain situations other terms are made available to clients. No penalty will be charged for any termination. Fees due for the

final period of the agreement will be adjusted proportionally to the number of days in the period and will be due and payable no later than 30 days after the date of termination.

Additional Fees and Expenses In addition to MFAI Currency Alpha's advisory fees, clients are also responsible for the fees and expenses charged by brokers, executing brokers, administrators and/or custodians, including, but not limited to, any transaction charges imposed. Clients that invest in MFAI Currency Alpha private investment vehicles structured as limited partnerships or limited liability companies are typically responsible for certain expenses relating to the partnership including but not limited to the cost of audits, reporting and certain legal expenses.

From time to time, MFAI Currency Alpha may refer its clients to affiliated entities, which may perform other services. MFAI Currency Alpha and/or its employees may receive referral compensation in exchange for such referral. Similarly, MFAI and/or their employees may refer clients to MFAI Currency Alpha for which MFAI Currency Alpha may pay referral compensation to such affiliates and/or their employees. Mesirow Financial Holdings, Inc., a Delaware corporation ("MFH"), is the owner of Mesirow Financial Services, Inc. ("MFS"), the parent of MFAI. MFAI is affiliated with numerous MFS and MFH subsidiaries, which constitute or are registered as one or more of the following: an investment advisor, a broker/dealer, an insurance agency, and/or entities creating or packaging private investment vehicles. MFAI does not currently have any material arrangements with any of these entities other than as described in Item 10.

Grandfathering of Minimum Account Requirements Pre-existing advisory clients are subject to MFAI's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, minimum account requirements may differ among clients.

ERISA Accounts In certain circumstances MFAI is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act of 1974 ("ERISA"). As such, MFAI is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

Commissions or Markups In the event that MFAI receives commissions or markups, advisory fees will be reduced to offset the commissions or markups.

Advisory Fees in General Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar or lower fees.

Limited Prepayment of Fees Under no circumstances does MFAI require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Educational Events MFAI employees may benefit from educational events sponsored by service providers to MFAI, such as law firms, audit firms and other professional service firms.

ITEM 6 | Performance-Based Fees and Side-By-Side Management

MFAI Currency Alpha may accept a performance-based fee from the client. Such a performance-based fee is calculated based on gains of the portfolio of the client. To qualify for a performance-based fee arrangement, a client (or Fund investor, as applicable) must either demonstrate a net worth of more than \$2,000,000 or must have at least \$1,000,000 under management at the time of entering into a management agreement with MFAI Currency Alpha.

Clients should be aware that a performance-based fee arrangement may create an incentive to recommend investments that may be riskier or more speculative than those that may be recommended under a different fee arrangement.

Furthermore, MFAI Currency Alpha may have clients who do not pay performance-based fees, MFAI Currency Alpha may have an incentive to favor accounts that do pay such fees because compensation received from these clients is more directly tied to the performance of their accounts.

ITEM 7 | Types of Clients

MFAI Currency Alpha provides advisory services to Eligible Contract Participants (ECPs), which may include:

- Investment companies and private funds
- Pension and profit sharing plans
- Charitable organizations
- Corporations or other businesses

ITEM 8 | Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis The process determines whether a specific currency pair is trading in a mean-reverting or in a directional fashion. Specifically, the model evaluates the current spot price in the context of the long-term return distribution and the relationship between volatility, kurtosis and skew, and then determines if the currency is trading a random fashion. If so, the model initiates trades within this range. Simultaneously, the model identifies the point at which the environment would shift from a random phase to a trending phase. Identifying and capitalizing on sideways markets is a key benefit to the program. If the model evaluates the current spot price in the context of the long-term return distribution and determines the currency has a statistically high probability of trading in a trending fashion, the model will establish trades to profit from these directional movements.

Risks For All Forms of Analysis MFAI Currency Alpha's analysis depends on publicly-available sources of data relating to foreign exchange and transactions, providing accurate and unbiased data. While MFAI Currency Alpha is alert to indications that data may be incorrect, there is always a risk that MFAI Currency Alpha's analysis may be compromised by limited, inaccurate or misleading information.

RISK OF LOSS

Investments are not guaranteed and clients may lose all invested funds. Clients may implement loss limits to mitigate losses.

ITEM 9 | Disciplinary Information

MFAI and its management personnel have no reportable disciplinary events to disclose.

ITEM 10 | Other Financial Industry Activities and Affiliations

Certain employees of MFAI may be separately licensed as registered representatives of MFI. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While MFAI and these individuals endeavor at all times to fulfill their fiduciary responsibilities to clients, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

As part of its proprietary investing program, MFAI Currency Alpha may utilize forward or futures contracts, nondeliverable forwards and swaps and options for hedging and yield enhancement purposes.

The principals of MFAI are also the principals of the general partner of MFAI Currency Alpha funds.

The general partner may designate MFAI Currency Alpha as having primary responsibility for investment management and administrative matters, such as accounting, tax and periodic reporting, pertaining to the Fund. MFAI and its members, officers and employees will devote to the funds as much time as it deems necessary and appropriate to manage the business. MFAI and its affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other

business activities, even though such activities may be in competition with the funds. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of MFAI management personnel and employees will not be devoted exclusively to the business of the funds, but could be allocated between the business of the funds and other business activities.

As noted in Item 4 and 5, MFAI may act as a general partner or sponsor of various private investment vehicles that MFAI may recommend or sell to its advisory clients. Prior to the sale of any such investments, MFAI will have disclosed any potential conflicts of interest and will recommend the investment only if it appears suitable for the client.

Clients should be aware that the receipt of additional compensation by MFAI and its management persons or employees creates a conflict of interest that may impair the objectivity of MFAI and these individuals when making advisory recommendations. MFAI endeavors at all times to put the interests of its clients first as part of its fiduciary duty as a registered investment advisor. MFAI typically takes the following steps to address any potential conflicts:

- MFAI discloses to clients the existence of all material conflicts of interest;
- MFAI collects, maintains and documents accurate, complete and relevant client background information, including the client's investment mandates, financial goals, objectives and risk tolerance;
- MFAI's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable for the client's needs and circumstances;
- MFAI requires that its employees seek prior approval of any outside employment activity to ensure that any conflicts of interests in such activities are properly addressed;
- MFAI periodically monitors outside employment activities of its employees to verify that any conflicts of interest continue to be properly addressed; and
- MFAI educates its employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

ITEM 11 | **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

MFAI has adopted a Code of Ethics, which sets forth the ethical standards of business conduct that MFAI requires of its employees, including compliance with applicable federal securities laws.

MFAI and its personnel owe a duty of loyalty, fairness and good faith towards clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

MFAI's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by MFAI's access persons. MFAI also has additional policies and procedures relating to the preclearance of all employee trades (other than securities deemed exempt from this obligation). MFAI's Code of Ethics also provides for oversight, enforcement and recordkeeping provisions.

MFAI's Code of Ethics further includes policies and procedures governing gifts and entertainment, outside business activities, confidentiality of information and information barriers, and charitable and political contributions. The Code of Ethics also prohibits the misuse of material non-public information and emphasizes the avoidance of conflicts of interest with investors. Each employee must acknowledge the terms of the Code of Ethics on an annual basis. Any employee who violates the Code of Ethics may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

A copy of MFAI's Code of Ethics is available to its advisory clients and prospective clients. You may request a copy by email sent to jlevine@mesirowfinancial.com, or by calling us at 312.595.6072.

MFAI is part of a group of affiliated financial services companies that perform a number of different services for a client. MFAI is mindful of the conflicts or potential conflicts that such relationships may

create. Consequently, MFAI has adopted a Code of Conduct, which prescribes standards of conduct required of all employees, regardless of their position or affiliation in the group. The Code prohibits self dealing and other improper activities, the misuse of material non-public information, and it emphasizes the avoidance of conflicts of interest with clients. Some specific areas of potential conflict are discussed below.

MFAI and/or individuals associated with it may buy or sell for their personal accounts securities identical to or different from those recommended to its clients. In addition, any related person(s) may have an interest or position in a certain securities, which may also be recommended to a client. However, it is the expressed policy of MFAI that no person employed by MFAI may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Employees of other divisions of MFAI may sell interests in investment companies which the MFAI Currency Alpha division subadvises. Those employees may be compensated separately.

MFAI does not aggregate employee trades with client transactions.

MFAI, through MFI, may direct the purchase or sale in securities on a principal basis in accordance with Section 206 (3) under the Investment Advisers Act of 1940, as amended.

As these situations represent actual or potential conflicts of interest to clients, MFAI has established the following policies and procedures for implementing its Code of Ethics, to ensure the firm complies with its regulatory obligations and provides clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of MFAI put his or her own interest above the interest of an advisory client.
2. No principal or employee of MFAI may buy or sell securities, foreign exchange forward or a related derivative, for their personal portfolio(s) where their decision is because of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of MFAI that no person employed by MFAI may purchase or sell any security prior to a transaction(s) being implemented for an advisory account.
4. MFAI requires prior approval for any IPO or private placement investments.
5. MFAI maintains a list of all reportable securities holdings for the firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by the appropriate designated supervisor.
6. MFAI has established procedures for the maintenance of all required books and records.
7. For accounts custodied at MFI, clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where MFAI is granted discretionary authority.
9. All of MFAI's principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. MFAI requires delivery and acknowledgement of the Code of Ethics by each access person.
11. MFAI has established policies requiring the reporting of Code of Ethics violations to senior management.

Any individual who violates any of the above restrictions may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

ITEM 12 | Brokerage Practices

MFAI Currency Alpha will endeavor to select those banks and counterparties that will provide the best services at the best rates possible. MFAI Currency Alpha's decision as to which bank or counterparty to trade with is based on various factors including, but not limited to the counterparties' stability, reputation,

creditworthiness, ability to provide professional services, and access to relevant markets.

ITEM 13 | **Review of Accounts**

INVESTMENT SUPERVISORY SERVICES PORTFOLIO MANAGEMENT

Reviews While the underlying holdings within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by Portfolio Management or another designated person.

Reports Clients shall receive monthly statements and/or confirmations of transactions from their broker or Fund administrator. MFAI Currency Alpha urges clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. Investors in a MFAI Currency Alpha Fund generally receive monthly reports from the Fund's administrator, summarizing the beginning and ending equity balance, account activity, and performance information. The statements are reviewed by MFAI Currency Alpha personnel prior to distribution to Investors.

ITEM 14 | **Client Referrals and Other Compensation**

CLIENT REFERRALS

MFAI may periodically enter into solicitor's arrangements with unrelated third parties ("Solicitors") where MFAI agrees to pay a portion of the fees derived from an account to the individual or entity that referred the account. Unless otherwise disclosed, the client is not charged any amount in addition to the customary advisory fee charged by MFAI. There is no differential between the amount of or level of advisory fee charged by MFAI to the client, attributable to the existence of any Solicitor's arrangement and that charged to other clients of MFAI. MFAI may also pay referral compensation to its affiliates and/or its employees.

Whenever MFAI pays a referral fee, it requires the Solicitor to provide the prospective U.S. client with a copy of this document (Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with MFAI;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to MFAI by the client will be increased above its normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to MFAI by clients referred by solicitors, or by affiliates of MFAI and/or their employees, are not increased as a result of any referral fee.

MFAI Currency Alpha may act as a sub-advisor or provide other services to other investment advisors or mutual funds and as such will be paid a fee based on a percentage of the assets of the fund. MFAI, or an affiliate, may also sell the fund to its clients and will receive compensation from the investment advisor or fund family.

It is MFAI's policy not to accept or allow its related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services it provides to clients.

MFAI may also compensate affiliate personnel that work in other business units for referrals.

ITEM 15 | **Custody**

MFAI Currency does not have actual or constructive custody of client accounts.

ITEM 16 | **Investment Discretion**

Clients may engage MFAI to provide discretionary and non-discretionary asset management services. Clients may in certain circumstances limit such authority by giving MFAI written instructions. Clients give MFAI discretionary authority when they sign an investment management agreement with MFAI or complete the subscription documents for a fund.

ITEM 17 | **Voting Client Securities**

MFAI does not vote proxies on behalf of clients, as this is not applicable to MFAI's business.

ITEM 18 | **Financial Information**

MFAI has no additional financial circumstances to report.

MFAI has not been the subject of a bankruptcy petition at any time during the past ten years.