

Item 1. Cover Page

CIPHER CAPITAL LLC

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Cipher Capital LLC (“Cipher”). If you have any questions about the contents of this brochure, please contact Matthew Weishar at (646) 416-6009 or Matthew@CipherCap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC does not imply a certain level of skill or training.

Additional information about Cipher also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Not applicable. This brochure is Cipher's initial brochure.

Item 3. Table of Contents

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Item 4. Advisory Business

Cipher Capital LLC (“Cipher”), a Delaware limited liability company, is an alternative asset management firm that was founded in August 2010. Cipher’s principal owner is Matthew Weishar, who is also the firm’s Managing Principal and Chief Compliance Officer.

Cipher currently provides investment advisory services to institutional clients (each, a “Client”). Cipher manages Client assets on a discretionary basis, subject to investment restrictions and guidelines specified in the pertinent investment management agreement. Cipher’s primary trading strategy seeks to take advantage of short-term investment opportunities in the U.S. equity market.

As of February 2012, Cipher managed \$235,000,000 of Client assets, all on a discretionary basis.

Item 5. Fees and Compensation

Performance and Management Fees. In compensation for its investment advisory services, Cipher is entitled to a performance-based fee from each Client, subject to generation of income in the Client account (“Client Account”) in excess of the pertinent return hurdle, as well as asset-based fees. Both the performance-based and asset-based fees vary by Client. The specific terms of fees payable by each Client are subject to negotiation and are specified in the pertinent investment management agreement. Clients are billed for fees incurred either on a quarterly or annual basis. Because each Client meets the definition of “qualified purchaser” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, Cipher’s specific fee schedule is not required to be included in this Item 5.

Other Types of Fees or Expenses. Clients also generally bear other fees and expenses charged to Client Accounts. These fees and expenses typically include, but are not limited to, (i) trading expenses, brokerage commissions and other transaction charges, (ii) fees and expenses incurred in the borrowing and lending of securities, (iii) interest, borrowing, margin expense and other financing charges charged to the Client Account attributable to the acquisition of securities by the Account and the acquisition by the Client of financing to fund the Client Account and (iv) custodial fees, bank service fees, transfer taxes, withholding taxes and other fees and expenses directly related to the purchase, sale or other disposition of the assets of the Client Account. Please also see Item 12. “Brokerage Practices” below.

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

Cipher is entitled to a performance-based fee from each Client, subject to generation of income in the Client Account in excess of the pertinent return hurdle.

Differing performance-based compensation structures may create an incentive for Cipher to favor one Client over another in the allocation of investment opportunities or when effecting transactions. Cipher has implemented policies designed to ensure that all Clients are treated fairly and equitably when allocating investment opportunities and trades among Clients.

Item 7. Types of Clients

Cipher provides investment advisory services to sophisticated institutional clients.

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

Methods of Analysis and Investment Strategies

Cipher's primary trading strategy seeks to take advantage of short-term investment opportunities in the U.S. equity market, principally through quantitative investment analysis. The strategy primarily trades large cap, highly liquid stocks and focuses on factors that have a statistically proven impact on short-term performance.

In addition to equity transactions, Cipher may trade other securities and financial instruments for Client Accounts and may engage in short selling on behalf of Client Accounts.

Material Risks of Cipher's Strategies

The following is a summary of some of the material risks associated with the strategy expected to account for a significant portion of the Clients' investments. This summary does not attempt to describe all of the risks associated with an investment in a Separately Managed Account or all risks associated with Cipher's strategies.

Financing Arrangements. As a general matter, the banks and dealers that provide financing to the Separately Managed Accounts are able to apply essentially discretionary margin, financing and security and collateral valuation policies. Changes by banks and dealers in financing and valuation policies may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. In addition, the dealers have essentially discretionary authority to close out credit lines, and dealers used this authority to close out credit lines for many hedge funds during the credit crisis that began in 2008. The Separately Managed Accounts may not be able to maintain adequate financing to pursue their investment program, which may result in portfolio liquidations and losses.

Leverage. The Separately Managed Accounts may leverage their investment activities not only through selling securities short, but also through purchasing securities on margin and possibly using options, repurchase and reverse repurchase agreements, swaps and other derivative instruments. Leverage increases the magnitude of both profits and losses.

Trading Decisions Based on Quantitative Systems. Trading decisions of Cipher are determined primarily by quantitative analysis. The profitability of any trading system involving quantitative analysis depends upon the occurrence in the future of market behavior similar to behaviors observed in the past in at least some of the markets traded.

Reliance on Technology and Electronic Trading. Cipher relies heavily on computer hardware and software, online services and other computer-related or electronic technology and equipment to facilitate the Separately Managed Accounts' investment activities. Specifically, the Separately Managed Accounts may trade financial instruments through electronic trading or order routing systems, which differ from traditional open outcry pit trading and manual order routing methods. Such electronic trading exposes the Separately Managed Accounts to risks associated with system or component failure, which could render Cipher unable to enter new orders, execute existing orders or modify or cancel previously entered orders. System or component failure may also result in loss of orders or order priority. Should events beyond

Cipher's control cause a disruption in the operation of any technology or equipment, the Separately Managed Accounts' investment programs may be severely impaired, causing them to experience substantial losses or other adverse effects.

Changing Market Conditions. Cipher's strategies are based, in part, on the analysis of past market and economic data as indications of future prices. The international economy is rapidly evolving and the financial markets developing in response to new financial instruments and technologies. There can be no assurance that the valuation models developed by Cipher based on past market conditions will be applicable in current markets. There can be no assurance that the Separately Managed Accounts will be able to acquire a sufficient amount of investments at attractive prices in order to achieve their objective, or that those investments which the Separately Managed Accounts are able to acquire will, in fact, ultimately be profitable.

Discretionary Aspects of Cipher's Strategies. The discretionary inputs involved in implementing trading signals can have a material impact on the performance of the Separately Managed Accounts. There can be no assurance that the discretionary decisions made by Cipher's personnel will be made correctly or in a timely or disciplined manner.

Derivatives in General. The Separately Managed Accounts may make use of various derivative instruments, such as convertible securities, options, futures, forwards and interest rate, credit default, total return and equity swaps. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses.

Use of derivatives and other techniques such as short sales for hedging purposes involves certain additional risks, including dependence on the ability to predict movements in the price of the securities hedged; imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and difficulties in managing a portfolio or meeting short term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

Hedging. Hedging techniques involve risks including imperfect correlation between the performance and value of the instrument and the value of the Separately Managed Accounts' securities, the possible lack of a secondary market for closing out a position in such instrument, losses from market movements not anticipated by Cipher and the possible imposition of additional margin or other payment requirements. Cipher will not, in general, attempt to hedge all market or other risks inherent in the Separately Managed Accounts' positions, and hedges certain risks, if at all, only partially. Specifically, Cipher may choose not, or may determine that it is economically unattractive, to hedge certain risks — either in respect of particular positions or in respect of the Separately Managed Accounts' overall portfolios, and the Separately Managed Accounts are not subject to formal diversification policies.

Item 9. Disciplinary Information

Cipher has no legal or disciplinary events to report that would be material to a Client's or prospective Client's evaluation of Cipher's advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Cipher and its employees do not have any relationships or arrangements with any affiliated entities or other financial services companies that pose material conflicts of interest with Clients.

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

Code of Ethics

As a fiduciary, Cipher owes an undivided duty of loyalty to its Clients and thus demands the highest standards of ethical conduct and care by all of its employees. It is Cipher's policy that all employees conduct themselves so as to avoid, to the extent possible, not only actual conflicts of interest with Clients but any conduct that could give rise to the appearance of a conflict of interest that might compromise the trust placed in Cipher by its Clients.

Cipher has adopted a Code of Ethics (the "Code of Ethics") that sets forth standards of ethical and business conduct expected of Cipher's personnel and addresses conflicts that may arise from personal trading by Cipher personnel. The Code of Ethics, among other things, requires compliance with the federal securities laws, reflects Cipher's fiduciary responsibilities and those of its advisory personnel, prohibits certain personal securities transactions, requires Cipher personnel to periodically report and/or pre-clear certain personal securities transactions and addresses prevention of the misuse of material nonpublic information.

The Code will be provided to any Client or prospective Client upon request.

Personal Trading

Cipher personnel may buy, sell and/or hold securities for their own accounts that Cipher also buys or sells for Client Accounts, including doing so at or about the same time as the Client transaction is effected. All personal trades by Cipher personnel are subject to the provisions of the Code of Ethics, including preclearance of certain transactions and reporting of all transactions in and holdings of "reportable securities." These provisions are designed to prevent personal trading from conflicting with Client interests.

Principal Transactions and Cross Trades

Cipher may determine that it is in the best interests of two or more Clients to transfer a security from one Client to another for tax purposes, liquidity purposes or to reduce transaction costs that may arise in an open market transaction (a "Cross Trade"). Any Cross Trade will be conducted in accordance with Cipher's fiduciary responsibility to each participating Client, must be in the best interest of each participating Client and must be consistent with Cipher's duty to seek best execution. Cipher will rely on its valuation procedures to determine the appropriate price to effect the transaction.

Item 12. Brokerage Practices

Best Execution

Cipher generally is responsible for the placement of Client portfolio transactions and the negotiation of prices and commissions, if any, with respect to such transactions, subject to its duty to seek best execution for Client transactions.

Certain Clients require that broker-dealers or other financial intermediaries be selected from among such parties that have been approved by the Client.

Client transactions will be allocated to broker-dealers for execution taking into consideration factors such as price; transaction costs; ability to effect the transactions; a broker-dealer's facilities, reliability and financial responsibility; commitment of capital; quality of research; access to deal flow; and other factors that are deemed appropriate to consider under the circumstances. In selecting broker-dealers, Cipher need not solicit competitive bids and has no obligation to seek the lowest available commission cost. Cipher does not always negotiate "execution only" commission rates and, in its sole discretion, may determine that the amount of commissions charged by a broker-dealer that is greater than amount another broker-dealer might charge is reasonable in relation to the value of the brokerage and products or services provided by such broker-dealer.

Soft Dollar Benefits

Certain Clients may restrict the ability of Cipher to engage in "soft dollar" practices and/or require that any soft dollar arrangements be agreed upon between the Client and Cipher.

To the extent Cipher engages in any "soft dollar" arrangements, research and/or other services or products obtained with soft dollars generated by a Client's transactional activity may be used by Cipher to service Clients other than the Client generating such soft dollars. If Cipher utilizes soft dollars to obtain research or other products or services, Cipher will receive a benefit because it will not have to produce or pay for the research, products or services. Cipher also may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on its Clients' interest in receiving most favorable execution. However, as noted above, it is Cipher's policy to select broker-dealers based on its duty to seek best execution for Client transactions.

Cipher will provide Clients with information about any products or services provided by broker-dealers pursuant to soft dollar arrangements and will provide more detailed information about any such products or services (if any) falling outside the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended.

Cipher also may use full-service broker-dealers with which it does not have soft dollar arrangements that provide research or other products or services to most or all of their customers, without being requested to do so. Cipher on occasion may receive and use research provided by these broker-dealers.

Aggregation of Trades

Cipher may, but is not required to, aggregate sales and purchase orders of securities being made simultaneously for more than one Client, if, in Cipher's reasonable judgment, such aggregation will result in an overall economic benefit to the pertinent Clients. Cipher executes trades in baskets and may aggregate accounts for each basket. Additionally, in the event Cipher is rebalancing multiple accounts with the same strategy in the same basket with the same executing broker, orders will be aggregated and allocated *pro rata* based on each individual account's percentage of the total order.

Allocation of Investment Opportunities

Cipher will use its best judgment and act in a manner that it considers fair and reasonable in allocating investment opportunities among the Clients. When it is determined that an opportunity is suitable for more than one Client, Cipher will seek to allocate opportunities among those Clients (and, as pertinent, execute orders for all participating Client accounts) on a fair (and, over time, equitable) basis. Cipher in allocating such investment opportunities will consider such factors as the relative amounts of capital available for new investments and the investment programs and positions of each Client for which participation is appropriate.

Trade Errors

Cipher on occasion may experience errors with respect to trades made on behalf of Clients. Cipher attempts to minimize trade errors by promptly reconciling trade confirmations, trade tickets and other pertinent documents. If trade errors do occur, they are for the account of the Client unless they are the result of Cipher's or its personnel's willful misconduct, bad faith or negligence or as otherwise provided in the governing documents of the Client.

Item 13. Review of Accounts

Cipher's Portfolio Management Team, which includes the Managing Member, will review each Client's portfolio holdings to determine that the investments held by each Client portfolio remain consistent with the pertinent investment guidelines and restrictions. Cipher also generally will review each Client's performance on an ongoing basis. Clients will receive reports as agreed upon in the pertinent investment advisory or other agreement.

Item 14. Client Referrals and Other Compensation

Not applicable.

Item 15. Custody

Cipher does not have custody of Client assets.

Item 16. Investment Discretion

Cipher provides discretionary investment advisory services to the Client Accounts, subject to investment restrictions and guidelines specified in the pertinent investment management agreement. From time to time, a Client may impose additional specific investment restrictions or instructions (*e.g.*, with respect to investing in a particular issuer).

Cipher is granted its authority to trade on behalf of Clients pursuant to a power of attorney included within the pertinent investment management agreement.

Item 17. Voting Client Securities

Cipher generally, by agreement with Clients, does not vote proxies with respect to securities held in the Client Accounts, though it may do so in certain limited circumstances.

In the event Cipher does vote a proxy with respect to a security held in a Client Account, it will vote in the manner it believes to be consistent with efforts to achieve a Client's stated investment objectives.

In circumstances where Cipher votes a proxy, Cipher follows procedures designed to identify conflicts or potential conflicts that could arise between its own interests and those of its Clients. If it is determined that any such conflict or potential conflict is not material, Cipher may vote proxies notwithstanding the existence of the conflict. If it is determined, however, that a conflict of interest or potential conflict of interest is material, one or more methods may be used to resolve the conflict.

Clients may request a copy of Cipher's Proxy Voting Policy and Procedures by contacting Cipher at the address listed on the cover page.

Item 18. Financial Information

Cipher has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients.