

Item 1: Cover Page

Spark Investment Management LLC

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April 27, 2012

This brochure provides information about the qualifications and business practices of Spark Investment Management LLC (“Spark”). If you have any questions about the contents of this brochure, please contact us at (212) 826-3709. 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 of an investment adviser does not imply that Spark or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

This brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein.

Item 2: Material Changes

This brochure is dated April 27, 2012 and replaces Spark's brochure dated January 20, 2012 posted on the SEC's public disclosure website (www.adviserinfo.sec.gov).

Effective February 7, 2012, Spark is registered with the SEC as an investment adviser, and, effective with the start of business on February 15, 2012, Spark serves as an investment adviser to pooled investment vehicles. We have effected changes throughout this brochure to account for these facts.

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Item 4: Advisory Business

Spark Investment Management LLC (“Spark”) was organized as a Delaware limited liability company in November 2011 and commenced operations in January 2012. Spark is wholly owned by Spark Management L.P. (“SMLP”), a Delaware limited partnership. Peter Laventhol, the manager of Spark, is also the majority owner of SMLP.

Spark manages non-cash assets in a common investment vehicle pursuant to the investment objectives, strategies and restrictions, and guidelines as set forth in each client’s offering documents and/or agreements with each client. Since Spark manages pooled investment vehicles, Spark’s investment advice is provided directly to such investment vehicles and not individually to the investment vehicles’ owners/investors. Spark does not tailor its advisory services to the individual needs of its clients’ owners/investors.

As of March 31, 2012, Spark managed \$723,104,573 of client assets on a discretionary basis. Spark does not currently manage client assets on a non-discretionary basis and does not intend to participate in wrap fee programs, but it may do so in future.

Item 5: Fees and Compensation

Spark receives an asset-based fee at the end of each profitable quarter up to 1/2 of 1% of the net assets of each client. The asset-based fee for any partial quarter is prorated.

Spark also receives an annual incentive allocation of 20% or more of each client's profits.

Although fee terms are not negotiable, Spark may waive or reduce fees or allocations due from any client or any investor in its clients.

In addition to the foregoing fees, clients may bear or pay additional costs, which may include without limitation:

- (i) costs attributable to computer or software systems including, without limitation, trading, research, and administrative costs;
- (ii) costs of data, including, without limitation, historical and real-time data;
- (iii) investment expenses (e.g. brokerage commissions, registration, interest expense);
- (iv) personnel costs of all kinds, including, without limitation, salaries, benefits, deferred compensation, health insurance, bonuses, bereavement or other leave pay, and costs of retirement plans;
- (v) professional fees, including, but not limited to routine legal (not including litigation), accounting, auditing, and tax preparation expenses;
- (vi) organizational and offering expenses;
- (vii) costs of litigation or other matters that are the subject of indemnification provided for in the clients' offering documents or in the agreements between the client and Spark; and
- (viii) costs of winding-up and liquidating clients' assets.

Spark may share a portion such costs pursuant to the agreements it has with its clients.

See Item 12 for more details on Spark's brokerage practices.

The fees and allocations described under this Item 5 are typically deducted from each client's assets at the payment date.

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

Spark receives allocations of profits based on the performance of each of its clients. Any such allocation of profits will comply with Section 205 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and Rule 205-3 thereunder, to the extent applicable. Because Spark trades the assets of all of its clients through a common investment vehicle, Spark believes that there are no conflicts of interest based on side-by-side management issues.

Item 7: Types of Clients

Spark advises pooled investment vehicles.

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

Methods of Analysis and Investment Strategies

Spark uses primarily quantitative methods in managing its client assets. Spark attempts to select generally diversified, computer-driven, risk-managed portfolios, which will outperform the risk-free rate. However, at any given moment, non-diversified positions may have a material effect on the portfolio risk, diversified positions may be correlated, some of the positions may not be computer driven, and the portfolios may have exposure to market or other risk factors.

Spark makes investments on behalf of its clients in equities and equity derivatives, but may also invest in other types of instruments. As part of its investment strategies, Spark utilizes leverage and engages in frequent transactions. Frequent transactions result in a higher level of commissions and transaction costs than a strategy that uses less frequent transactions. These higher commissions and higher transaction costs result in lower return and higher risk.

The inputs for Spark's trading models are generally in the public domain. Therefore, Spark attempts to develop mathematical models that are superior to its competition with the goal of generating superior-to-market returns. There is a risk that these models may fail to perform as expected.

The mathematical methods used by Spark may include statistical forecast generation, trend following, mean reversion, fundamental based analysis, relative value or arbitrage oriented methods, as well as other methods.

Risk of Loss

All mathematical methods are inflexible compared with human investment analysts. For this reason, as well as others, mathematical methods in general may fare poorly under unusual conditions. Spark may attempt to adjust or override its models under unusual or other conditions. There is a risk that these attempts to adjust or override models may not be effective or may exacerbate the bad results of unusual conditions.

All investing involves risks, including loss of principal, and clients must be prepared to bear such risks. Past performance is not necessarily indicative of future results.

Spark's investment strategies and methods carry significant risks. Advisory clients should be aware that many factors affect the value of their investments and investment performance and should consider the risks, including the risks set forth below, although the following does not purport to be a complete explanation of all of the risks involved in Spark's investment strategies. The risks associated with Spark's investment strategies and methods are described in more detail in the clients' offering documents.

Correlation Risk / Liquidity Events. Spark believes that the portfolios it manages are correlated with those of other quantitative funds. There is a risk that if such other quantitative

funds were to de-leverage and reduce positions, the portfolios Spark manages may show a mark-to-market loss. There is a risk that growing losses could cause Spark to reduce the client's positions, which would cause these mark-to-market losses to be realized.

Illiquidity. Spark may take large positions that may be difficult to divest. There is a risk that Spark may have to liquidate a large portion of the portfolio it manages, but the illiquid positions may be too large to divest of quickly, especially under adverse market conditions, which could result in significant losses to its clients.

Short Selling. Spark expects to use leverage as part of its investment strategies. Short sales are more complex and difficult to execute than long investments and they carry the risk of unlimited loss. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the portfolios Spark manages on behalf of its clients. A short sale of a security involves the risk of unlimited loss from an unlimited increase in the market price of the security which could result in an inability to cover the short position. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase. The holder of a short position may be forced to buy-in and purchase the underlying security. Forced buy-ins may occur without notice and during unfavorable market conditions during which the buy-in price is higher than the fair market value of the security at the time of buy-in.

Leverage. Leverage magnifies risk. Fluctuations in the market value of financial instruments are magnified by the use of leverage. While the use of leverage may increase profits, it also generally would increase the adverse impact of a decline in portfolios. In addition to the magnification of losses from the use of leverage, there is a risk that growing losses in a leveraged portfolio would cause Spark to reduce certain positions or even liquidate large positions, which would result in a significant loss to its clients, especially under adverse market conditions.

Futures and Options. Trading in commodity interests involves significant risks including price volatility and illiquidity and is a highly leveraged activity which may cause the portfolios managed by Spark on behalf of its clients to incur large gains or losses over a short period of time. For example, the seller of an uncovered call option assumes the risk of an unlimited increase in the market price of the underlying commodity interest above the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price and may lose many times its initial investment. The buyer of an option assumes the risk of losing its entire investment.

Use of Derivatives. Spark may make extensive use of derivatives, both for hedging and as an investment on behalf of its clients. Trading in derivatives involves specialized and substantial risks that may exceed those involved in securities trading and may cause the portfolios managed by Spark on behalf of its clients to incur large gains or losses over a short period of time. In some derivative dealings, the portfolios Spark manages may enter into agreements with counterparties that permit termination by the counterparty of the derivatives transactions covered by the agreement upon the occurrence of certain events. Some of these events are based on unfavorable business circumstances of the portfolios Spark manages such as losses or withdrawals of capital. Some of these events are based on factors outside of the control of Spark

or its clients. Such termination events might have the effect of increasing the losses of the portfolios Spark manages and making an investment in them more volatile.

Foreign Investments. Spark's strategy may include investing in all types of foreign securities and instruments, including, without limitation, instruments denominated in foreign currencies, dollar denominated instruments based on foreign instruments, instruments traded outside of the United States, foreign currencies, and foreign currency futures, forwards, and options. These investments involve certain risks not typically associated with investing in U.S. securities or property. These risks include, but are not limited to, unfavorable currency exchange rate developments, transaction costs significantly greater than for similar domestic investments, nationalization, title or settlement problems, devaluation, war, restrictions on repatriation of investment income and capital, imposition of exchange control regulation, United States and confiscatory foreign taxation, and economic or political instability. In addition, certain foreign companies may not be subject to accounting and financial reporting standards comparable to those of U.S. companies, and for certain foreign companies there may be less publicly available information than for comparable U.S. companies.

Exchange Rate Fluctuations; Currency Considerations. Spark may invest on behalf of its clients in securities and other instruments denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. To the extent unhedged, the value of positions in these investments will fluctuate with the exchange rates of the currencies in which the investments are denominated or to which they are referenced, as well as the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of one of these currencies compared to the other currencies in which portfolios managed by Spark make investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the investments by the portfolios managed by Spark in their local markets and may result in a loss to Spark's clients. Furthermore, clients may incur costs in connection with conversions between various currencies.

Although Spark believes the foregoing are the most significant risks associated with its investment strategies and methods, advisory clients should study all of the risks described in the offering documents or otherwise seek to understand the risks applicable to their own circumstances. In addition, there may be risks Spark is unaware of. The complexity of Spark's models makes it more likely that there are risks Spark is unaware of than would be the case for a simpler strategy.

Item 9: Disciplinary Information

As of the date of this brochure, there have not been any legal or disciplinary events that are material to Spark's advisory business or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Spark is registered as a commodity pool operator with the Commodity Futures Trading Commission (“CFTC”) and is a member of the National Futures Association (“NFA”) in that capacity.

Two of Spark’s management persons are registered with the CFTC as associated persons of Spark. These persons are:

1. Peter Lawrence Laventhol, the Principal; and
2. Glenn Elliot Dropkin, the Chief Compliance Officer.

As of the date of this brochure, SMLP, Spark’s sole owner, is also registered as a Commodity Pool Operator, and Mr. Laventhol and Mr. Dropkin are also registered as Associated Persons of SMLP.

Spark does not recommend or select other investment advisers for its clients.

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

Participation or interest in client transactions

Spark participates in its clients (which are pooled investment vehicles) by purchasing interests in them. Spark receives an annual share of such clients' profits.

Spark directs its feeder fund clients to invest in its master fund. Spark has a material financial interest in its master fund. In this sense, Spark "recommends" its master fund to its feeder funds. Thus, Spark can be said to recommend securities in which it has a material financial interest to its clients.

These facts are disclosed, when applicable, in the client's offering documents or the agreements Spark has with its clients.

Code of Ethics and personal trading

Pursuant to Rule 204A-1 of the Advisers Act, Spark has adopted a Code of Ethics that establishes various procedures with respect to investment transactions in accounts in which employees of Spark or related persons have a beneficial interest or accounts over which an employee has investment discretion. In addition, Spark's Code of Ethics obligates all employees to put the interests of Spark's clients before their own personal interests and requires them to comply with applicable provisions of the federal securities laws.

In general, employees (and members of their immediate households) are required to obtain pre-approval from the Chief Compliance Officer prior to trading in personal accounts. The spirit of the Code of Ethics is to discourage frequent trading in employee personal accounts. In addition, employees may not acquire securities for their own accounts in an initial public offering. Employees must also obtain pre-approval from the Chief Compliance Officer before engaging in any outside business activities or investing in private placements. In addition, the Chief Compliance Officer must pre-clear any of his outside business activities or investing in private placements with the manager of Spark.

In addition, employees who participate in, or obtain information regarding the purchase or sale of securities on behalf of Spark's clients, are restricted from purchasing or selling, directly or indirectly, certain securities that they know at the time of such purchase or sale are being purchased or sold by Spark on behalf of its clients. Notwithstanding the foregoing, because Spark's computer driven strategies are expected to have continuously varying positions in large numbers of securities, Spark allows its employees to invest, to a limited degree, in the same securities that its clients invest in. These policies apply to any personal transactions involving equity, debt, options and futures (or derivative products related to the foregoing). Spark has established procedures that are designed to prevent employees from taking advantage of the clients' positions and trading activity.

All Spark employees must submit an annual report listing their securities holdings and direct their brokers to send duplicate copies of trade confirmations and brokerage statements to the Chief Compliance Officer. The reports of the Chief Compliance Officer are submitted to the manager of Spark. These records will be used to monitor compliance with the foregoing policies. These records will be also used for general screening for appropriate behavior and avoidance of conflicts of interest.

Spark's Code of Ethics includes customary insider-trading policies and procedures designed to prevent the misuse of material, non-public information.

Clients and prospective clients may request a copy of Spark's Code of Ethics, including the personal trading policy, by calling (212) 826-3709 or writing to Spark Investment Management LLC, 150 East 58th Street, 26th Floor, New York, NY 10155, Attn: Mr. Glenn Dropkin.

Item 12: Brokerage Practices

Best Execution

Best execution has a direct impact on profitability and is handled in the overall context of the investment process. Execution costs are monitored in a number of ways as a critical factor in achieving success for Spark's trading program.

In selecting prime brokers, executing brokers, and other counterparties, the primary consideration is getting the best executions for Spark's clients. While commission costs are very important, execution capability and overall capability to add value generally are more important. In addition, quality of service, financial stability, and reputation are all considered.

Principal Trading.

It is Spark's policy and practice to not engage in any principal transactions.

Soft Dollars

As of the date of this brochure, Spark has not entered into any formal soft dollar arrangements, but may receive research reports from brokers.

Pursuant to the clients' offering documents and/or the agreements Spark has with its clients, Spark may consider, in selecting a broker/dealer for its client, the value of research services or products that a broker/dealer provides to the client. Because many of those research services could benefit Spark and its other clients, it may have a conflict of interest in allocating a client's brokerage business. Spark intends to comply with Section 28(e) of the Securities Exchange Act of 1934, as amended, except with respect to securities transactions for which Section 28(e) is unavailable. Under Section 28(e), Spark's use of a client's commission dollars to acquire research products and services is not a breach of its fiduciary duty to the client—even if the brokerage commissions paid are higher than the lowest available—as long as (among certain other requirements) Spark determines that the commissions are reasonable compensation for both the brokerage services and the research acquired. The types of research Spark may acquire include: reports or other information about particular companies or industries, economic surveys and analyses; recommendations as to specific securities, financial publications, portfolio evaluation services; financial database software and services, computerized news, pricing and order-entry services; and other products or services that may enhance the Spark's investment decision-making. The safe harbor under Section 28(e) applies to the use of the client's soft dollars even when the research acquired is used in making investment decisions for other clients. Conversely, the research information provided to Spark by brokers through which certain clients of Spark effect securities transactions may be used by Spark in providing services to other clients. However, as of the date of this brochure, Spark trades the assets of all of its clients through a common investment vehicle.

Client Referrals from Brokers

As of the date of this brochure, Spark does not select brokers based on client referrals from brokers.

Aggregation and Allocation

Spark currently makes all trades through a common investment vehicle, and therefore, Spark does not allocate or aggregate trades for multiple client accounts.

Item 13: Review of Accounts

On a daily basis, Spark's accounting staff reviews electronic brokerage statements against in-house records. On a monthly basis, an independent third party administrator reviews electronic brokerage statements against in-house records. On an annual basis, a licensed certified public accounting firm audits Spark's clients.

In addition, Spark maintains a full time investment staff, which is alerted daily to significant swings in net asset value. In addition, Spark may conduct additional reviews of client accounts using its proprietary computerized system. These reviews may cover such areas as long and short exposure, leverage, sector exposures, estimated beta, largest positions, and other areas of risk. On occasion, these reviews may be supplemented by more extensive computer or manual studies.

Spark distributes to investors in its clients quarterly statements of income and annual reports as required by CFTC rules.

Item 14: Client Referrals and Other Compensation

No person who is not a client provides an economic benefit to Spark for providing investment advice or advisory services to its clients.

As of the date of this brochure, Spark does not utilize the services of third party marketers to generate client referrals.

Item 15: Custody

As a result of its status as the general partner of its clients, Spark is deemed to have custody of the clients' assets. Spark ensures that annual audited financial statements, compliant with Generally Accepted Accounting Principles, are distributed to investors within 120 days or a shorter period of time as required by applicable law after the end of the fiscal year. Otherwise, Spark must arrange for a surprise audit and comply with the applicable custody rules.

As of the date of this brochure, client assets are held in bank and/or brokerage accounts. Should things change in the future, Spark will comply with any applicable regulations.

Item 16: Investment Discretion

Spark obtains discretionary authority to manage the assets in client accounts and select brokers and dealers to be used to effect portfolio transactions for such accounts, subject to such restrictions as set forth in each client's offering document and/or agreements with each client and/or the rules and regulations of any exchange or market on which Spark trades financial instruments on behalf of its clients. This discretionary authority is obtained pursuant to the power of attorney granted under agreements with its clients.

Item 17: Voting Client Securities

Spark is a fiduciary that owes each of its clients duties of care and loyalty with respect to services undertaken on the client's behalf, including proxy voting.

Spark currently does not vote proxies because Spark trades pursuant to its quantitative trading system. Spark's trading system is systematic in nature, which means investment decisions are primarily based on the trading signals generated by Spark's computer systems. Spark maintains, on behalf of its clients, a portfolio comprised of a very large number of positions in a number of different companies, each of which accounts for only a small percentage of the portfolio. Given the number of positions, the cost of voting proxies, which would include, among others, costs associated with analyzing and evaluating the management and business prospects of each portfolio company, would be significant, and such cost would be passed on to the clients.

Based on the foregoing, Spark believes that the cost of proxy voting may exceed any expected benefit to its clients.

Should Spark implement different investment strategies and programs on behalf of its clients in the future, Spark will adopt a separate set of policies and procedures, as appropriate.

Spark will retain copies of (i) its proxy voting policies and procedures and all amendments thereto; (ii) records of votes cast on behalf of its clients, if any, and (iii) records of requests for proxy voting information or proxy policies from investors.

The Chief Compliance Officer is responsible for ensuring, if requested, that Spark provides its clients with (i) a description of Spark's proxy voting policies and procedures and (ii) instructions about how investors may obtain information on how Spark voted with respect to the clients' investments, if available. Clients may call (212) 826-3709 or write to Spark Investment Management LLC, 150 East 58th Street, 26th Floor, New York, NY 10155, Attn: Mr. Glenn Dropkin to request such information.

Item 18: Financial Information

Spark does not require or solicit prepayment of fees from its clients. Spark is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.

Item 19: Requirements for State-Registered Advisers

This Item is not applicable to Spark.