

Item 1.

Sovarnum Capital L.P.

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Sovarnum Capital L.P. (“Sovarnum” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at 917-653-1976. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Sovarnum is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

This brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum and related subscription materials.

Item 2. Material Changes

In February 2012, Sovarnum filed its initial application to register as an investment adviser with the SEC. Accordingly, pursuant to disclosure rules under the Advisers Act, this is the first brochure compiled by Sovarnum to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. We encourage all recipients of this brochure to read it carefully in its entirety.

In the future, this item will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year's brochure and that may be important to them.

Item 3. Table of Contents

Item 1. Cover Page	1
Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	5
Item 6. Performance Based Fees and Side-by-Side Management	6
Item 7. Types of Clients	7
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9. Disciplinary Information	11
Item 10. Other Financial Industry Activities and Affiliations	12
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Item 12. Brokerage Practices	14
Item 13. Review of Accounts	15
Item 14. Client Referrals and Other Compensation	16
Item 15. Custody	17
Item 16. Investment Discretion Voting Client Securities	18
Item 17. Voting Client Securities	19
Item 18. Financial Information	20

Item 4. Advisory Business

Sovarnum, a Delaware limited partnership, was founded in 2012 and is primarily owned by Vikas Shilpiekandula. Sovarnum is a newly formed adviser relying on Rule 203 A-2(C) of the Advisers Act, and expects to be eligible for SEC registration in 120 days. The employees and partners of Sovarnum shall be based in offices located in New York.

Sovarnum will serve as an investment manager and anticipates providing discretionary advisory services to pooled investment vehicles, which may include private investment partnerships and foreign investment companies (collectively the “Prospective Funds”). These Prospective Funds will be organized to invest in securities and other financial instruments. Any investment advice which Sovarnum may provide will be directly to the Prospective Funds and not individually to the limited partners or shareholders of any Prospective Funds. The Firm will manage any future assets of the Prospective Funds in accordance with the terms of the governing documents applicable to each Prospective Fund.

Shares or limited partnership interests in the Prospective Funds will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”); nor will the Prospective Funds be registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the Prospective Funds will be offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

Sovarnum anticipates that the Prospective Funds will invest primarily in securitized products which include residential mortgage backed securities (both private-label and agency), agency mortgage derivatives, commercial mortgage backed securities and covered bonds. In addition, on an event driven basis, the Prospective Funds may also invest in equity and debt securities of institutions exposed to securitized products.

Item 5. Fees and Compensation

The Firm anticipates utilizing the following fee structure for the Prospective Funds as follows:

The Prospective Funds will pay to the Firm a monthly management fee equal to an annual rate of 2% of the net asset value of the Prospective Fund.

The Prospective Funds will also be subject to an incentive fee equal to 20% of net profit (defined as any excess of income and gains over expenses, losses and management fees) payable at the end of each fiscal year. If a Prospective Fund has a net loss during any fiscal year, during a subsequent fiscal year, there will be no incentive fee payable until the amount of the net loss previously allocated has been recouped.

In addition to Sovarnum's fees and allocations, the Prospective Funds will bear certain operating expenses and fees, including but not limited to taxes, offering and investment expenses which may be determined as relating to investment of the Prospective Funds' assets, such as brokerage commissions, initial and variation margin and interest expense, administrative expenses, directors' fees and expenses, legal expenses, internal and external accounting expenses, audit and tax preparation expenses, corporate licensing, custodial fees and set-up costs and other expenses associated with operation of the Prospective Funds.

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

As noted above, the Firm anticipates charging performance based fees which are based on appreciation of the Prospective Funds' assets. Such performance based fees will comply with Section 205 of the Advisers Act and Rule 205-3 thereunder, as applicable.

A performance fee arrangement could create an incentive for Sovarnum to make investments that are riskier and more speculative than would be the case in the absence of a performance fee. In addition, the performance fees are payable to the Firm based on unrealized gains and losses. As a result, the performance fee earned could be based on unrealized gains that may never be realized by the Prospective Funds.

Insofar as Sovarnum initially intends to trade the Prospective Funds' assets on a side-by-side basis, as opposed to through a common investment vehicle, certain conflicts may arise. Sovarnum will nevertheless endeavor to minimize such conflicts where possible and will trade between the Prospective Funds in a manner it believes is equitable and in the best interest of all its Prospective Funds.

Item 7. Types of Clients

As described in Item 4 above, Sovarnum intends to advise one or more pooled investment vehicles, the Prospective Funds.

Investors wishing to purchase an interest in the Prospective Funds will be required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act, and certain investors may be required to be “qualified purchasers” purchases within the meaning of Section (2)(a)(51) of the Investment Company Act. Also, investors will be required to make certain representations when investing in a Prospective Fund, including, but not limited to that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment and that (iii) they have the ability to bear the economic risk of an investment in the Prospective Fund. Details concerning applicable investor suitability criteria will be set forth in a Prospective Fund’s governing documents, which will be furnished to each investor.

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

The primary investment objective of the Firm will be to provide attractive risk adjusted returns in securitized products and related securities.

Investment Strategy: Sovarnum intends to focus on private label residential mortgage backed securities (RMBS), agency derivatives (IOs) and commercial mortgage backed securities (CMBS). In addition, Sovarnum may make investments for the Prospective Funds in related securities e.g., equities, bonds or CDS of institutions exposed to securitized products on an event driven basis. Sovarnum believes that successful investing in securitized products and related securities requires a combination of extensive prepayment and credit analysis and an understanding of the macro environment.

Methods of Analysis: Sovarnum will utilize a variety of techniques to make investment decisions for the Prospective Funds. The Firm will develop views on the macro environment through a study and analysis of macro data and any potential policy actions. Sovarnum will use proprietary quantitative models to forecast prepayment and credit behavior which are estimated based on historical patterns. Sovarnum will also use data and qualitative factors to estimate the positioning of the market players and their implications for pricing.

Risks of Loss: An investment in any Prospective Fund which will be managed by the Firm entails a certain degree of risk. Only investors capable of evaluating and bearing such risks should undertake investing in a Prospective Fund. Sovarnum anticipates that the risks in the Prospective Funds include, but are not limited to:

- a. **Credit risk.** A change in default rates or recovery rates could adversely impact RMBS and CMBS securities in the Prospective Funds.
- b. **Prepayment risk.** Interest only securities could be adversely impacted by a significant increase in prepayments.
- c. **Interest-rate risk.** Although attempts will be made to mitigate some of the interest rate risk in a Prospective Fund, a change in interest rates could adversely impact the Prospective Funds as measuring and hedging interest rates is only approximate.
- d. **Relative value risk.** Sovarnum anticipates that it may assume certain spread or long/short positions with a view that two or more securities are mispriced relative to one

another. The relationship doesn't necessarily need to converge to the perceived 'fair value' and may result in losses for the Prospective Funds.

- e. **Concentration risk.** Sovarnum anticipates that a significant portion of the Prospective Funds' investments will be in securities affected by the US housing market and commercial real estate. As a result, any significant change in these sectors could have an adverse impact on the Prospective Funds.
- f. **Limited operating history.** Sovarnum and the Prospective Funds have no, or a limited operating history, upon which prospective investors may base an evaluation of its possible future performance. The Prospective Funds' investment program should be evaluated on the basis that there can be no assurance that the Prospective Funds will be able to achieve their investment objectives.
- g. **Dependence on key personnel and retention.** Investors have no authority to make decisions on behalf of the Prospective Funds. The success of the Prospective Funds depends upon the ability of Mr. Shilpiekandula and the other key personnel of Sovarnum and its affiliates to develop and implement investment strategies that achieve the Prospective Funds' investment objectives. If Sovarnum were to lose the services of Mr. Shilpiekandula or certain key personnel, the consequence to the Prospective Funds could be material and adverse and lead to the premature termination of the Prospective Funds. The Prospective Funds' performance will be highly dependent on Sovarnum's ability to attract new employees and to retain existing employees.
- h. **Competition and availability of investments.** Certain markets in which the Prospective Funds may invest are extremely competitive for attractive investment opportunities. There can be no assurance that the Prospective Funds will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organized to make such investments, which may result in increased competition to the Prospective Funds in obtaining suitable investments.
- i. **Operational risk.** The Prospective Funds will depend on Sovarnum to develop the appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Prospective Funds' operations may cause the Prospective Funds to suffer financial losses,

the disruption of its business, liability to third parties, regulatory intervention or damage to its reputation. Human error (including, without limitation, trading errors), system failure or other problems with any of the operational processes could result in material losses or costs, which will generally be borne by the Prospective Funds. Sovarnum is not liable to the Prospective Funds for losses incurred due to the occurrence of any of the errors described herein (unless such errors were the result of Sovarnum's gross negligence).

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. As of the date of this brochure, neither Sovarnum nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

As of the date of this brochure, Sovarnum and its Employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Pursuant to Rule 204A-1 of the Advisers Act, Sovarnum has adopted a written Code of Ethics (the “Code”) predicated on the principal that the Firm owes a fiduciary duty to any Prospective Fund and its investors. The Code is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners or employees of Sovarnum (collectively the “Employees”). The Firm will require its Employees to act in the Prospective Funds’ best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

Employees of the Firm are prohibited from investing for their personal account in any securities with the exception of open ended mutual funds and hedge funds, exchange traded funds (ETFs), Treasury, agency and municipal securities and bank certificate of deposits. In the event a new Employee of Sovarnum has prior investments that are not in the list above, the positions may be retained, but any trading in them after joining Sovarnum will require approval from the Firm’s Chief Compliance Officer (CCO). The Firm’s Employees should enable direct reporting of their brokerage accounts to the CCO, as described in more detail in the Code. A copy of Sovarnum’s Code shall be provided to any investor or prospective investor upon request.

Some of the Firm’s Employees may own either directly or through the Prospective Funds’ general partner, financial interest in any Prospective Fund. Therefore, Sovarnum will be considered to participate in transactions effected for the Prospective Funds. The Firm does not believe this arrangement presents any material conflicts of interest since the interests of its Employees and Sovarnum will be aligned with the interest of investors in the Prospective Funds.

Item 12. Brokerage Practices

- a. **Factors Considered in Selecting Broker-Dealers for Client Transactions.** Sovarnum has a fiduciary duty to use its reasonable efforts to obtain best execution of securities transactions for any Prospective Fund. The Firm anticipates that it may often times choose to solicit competitive bids or offers to ensure the most favorable execution for the Prospective Funds. However, Sovarnum need not necessarily solicit competitive bids on every transaction and may consider several factors in choosing a broker dealer to execute transactions which include, but are not limited to, reputation, financial strength, willingness to commit capital and confidentiality. Sovarnum will periodically review its relationships with broker-dealers and effectiveness of best execution.
- b. **Soft dollars.** The Firm believes it will be important to its investment decision-making processes to have access to independent research. Sovarnum anticipates that from time to time it may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Prospective Fund transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. The Firm will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e).
- c. **Trade errors.** It is Sovarnum's policy that any losses resulting from trading errors will be borne by the Prospective Funds. The Prospective Funds' investors should assume that occasional trading errors may occur, which include but are not limited to typographical errors when entering transactions, miscommunications with brokers and the firm's traders and confirmation or settlement of a trade. Any errors that result in gains similarly will be to the benefit of the Prospective Funds' investors and not the Firm.
- d. **Trade Aggregation and Allocation.** Sovarnum has a fiduciary obligation to use its best efforts to ensure that no client is treated unfairly in relation to any other client in the allocation of securities or investment opportunities or in the order in which transactions are executed. Accordingly, Sovarnum will seek to allocate orders and investment opportunities among its Prospective Funds in a manner that it believes is equitable and in the best interests of all its Prospective Funds.

Item 13. Review of Accounts

The Firm anticipates that its investment committee will periodically review the securities and other financial instruments which will be held by the Prospective Funds. The purpose of the review will be to ensure that the risk profile of the Prospective Funds is appropriate for prevailing market conditions and consistent with the Prospective Funds' investment objectives. The Prospective Fund investors will receive audited annual financial statements and necessary U.S. federal tax information. The Prospective Fund investors will also receive unaudited performance information no less frequently than quarterly. Upon the request of a Prospective Fund's investor or parties representing a Prospective Fund's investor, greater disclosure may be provided in regards to the Prospective Funds' investments.

Item 14. Client Referrals and Other Compensation

The Firm does not currently anticipate having any arrangements whereby it will compensate third parties for soliciting new investors to the Prospective Funds. As mentioned in the Brokerage Practices section, the Prospective Funds may receive research from broker dealers that is considered to be a ‘soft dollar’ relationship.

Item 15. Custody

Sovarnum anticipates that all assets will be held in custody by unaffiliated broker/dealers or banks. However, as a registered investment adviser who will directly or through an affiliate, act as the general partner or managing member to a limited partnership or other comparable pooled investment vehicle, the Firm will be considered to have custody over client assets. Rule 206(4)-2 under the Advisers Act imposes a number of requirements on an SEC-registered investment adviser that is deemed to have custody of its clients' funds and securities.

To comply with Rule 206(4)-2 and to provide meaningful protection to investors, the Prospective Funds will be subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements will be prepared in accordance with generally accepted accounting principles, and will be distributed to each investor or shareholder within 120 days of the Prospective Funds' fiscal year end.

As of the date of this brochure, Sovarnum anticipates that client assets will be held in either brokerage or bank accounts. In the event this changes, Sovarnum will complete the applicable regulatory filings.

Item 16. Investment Discretion

Sovarnum maintains investment discretion and will be generally authorized to make the following determinations, subject to the Prospective Funds' investment objectives and restrictions, without obtaining prior consent from the Prospective Funds or its underlying investors: (i) which securities or other instruments to buy or sell; (ii) the total amount of securities or other instruments to buy or sell; (iii) the executing broker or dealer for any transaction; and (iv) the commission rates or commission equivalents charged for transactions.

Item 17. Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Sovarnum has adopted and implemented written policies and procedures which will govern the voting of client securities, in a prudent and diligent manner that will serve the Prospective Funds' best interests and will be in line with the Prospective Funds' investment objectives.

Sovarnum will take into account all relevant factors, as determined in its discretion, including, without limitation: (i) the impact on the value of the securities or instruments owned by the Prospective Funds and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices.

In limited circumstances, Sovarnum may refrain from voting proxies where it believes that voting would be inappropriate, taking into consideration the cost of voting the proxies and the anticipated benefit to its Prospective Funds. Generally, investors will not be able to direct the Firm's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the Prospective Funds on the one hand and Sovarnum on the other hand. If the Firm determines that it may have, or is perceived to have, a conflict of interest when voting proxies, Sovarnum will vote in accordance with its proxy voting policies and procedures. Investors may obtain a copy of the Firm's proxy voting policies and its proxy voting record, when applicable, upon request.

Item 18. Financial Information

A balance sheet is not required to be provided as Sovarnum (i) has not solicited fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.