



Item 1. Cover Page

James Caird Asset Management (U.S.) LP

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of James Caird Asset Management (U.S.) LP. If you have any questions about the contents of this brochure, please contact us at compliance@jcam.com or telephone +1 212-205-1000. 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 particular level of skill or training.

Additional information about James Caird Asset Management (U.S.) LP is also available on the SEC's website at www.adviserinfo.sec.gov.



Item 2. Material Changes

Not applicable. This brochure is James Caird Asset Management (U.S.) LP's first brochure.

Item 3. Table of Contents

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Item 4. Advisory Business

Overview

James Caird Asset Management (U.S.) LP (the "Registrant") and affiliated entities within the James Caird Asset Management group (collectively "JCAM", "us", "we" or the "JCAM Group") provide investment advisory services to pooled investment vehicles.

As of 31 January, 2012, the Registrant managed \$646.2m of client assets, on behalf of various private comingled investment vehicles (each, a "JCAM Fund" and, collectively, the "JCAM Funds") on a discretionary basis.

The parent company of the JCAM Group is James Caird Asset Management Ltd ("JCAM Ltd"), an investment manager registered as an excluded person under the Securities Investment Business Law (2011 Revision) of the Cayman Islands. JCAM Ltd was established in November 2007. JCAM Ltd and the Registrant commenced trading on behalf of clients on July 1, 2008, following the transfer of investment management of the Moore Credit Fund (Master) LP ("MCF"), renamed JCAM Global Fund (Master), L.P., from Moore Capital Management LLC ("Moore Capital") to JCAM Ltd.

JCAM Ltd is managed by its Board of Directors (the "Board") which includes Timothy Leslie and three additional directors, two of whom are independent. Moore Capital Management LLC is a minority shareholder in JCAM Ltd and is represented on the Board.

The Registrant is a limited partnership incorporated in the State of Delaware in November, 2007 and has three partners, Robert Miller, Timothy Leslie, and its general partner, JCAM (U.S.) LLC (the "General Partner"). The General Partner is a wholly owned subsidiary of JCAM Ltd. Timothy Leslie is the controlling shareholder of JCAM Ltd and controls the Registrant.

Prior to the establishment of JCAM, Timothy Leslie and Robert Miller were portfolio managers at Moore Capital and managed MCF since its inception in 2003.

Fund Offerings

JCAM manages a number of pooled investment vehicles but the only vehicle which is open to subscription (as of the date of this brochure) is the JAE Credit (Master) Fund Limited, a Cayman Islands investment vehicle which has two feeder funds, the JAE Credit Fund Limited (a Cayman Islands exempted company) and the JAE Credit Fund (US) LP (a Delaware limited partnership), (collectively, the "JAE Credit Fund"). The JAE Credit Fund, which launched on 1 February 2012, is a global



long/short credit fund that invests primarily in liquid credit instruments with the aim of achieving low volatility, risk-adjusted returns by exploiting idiosyncratic and macro investment opportunities. Robert Miller is the JAE Credit Fund Chief Investment Officer (in addition to being the Head of JCAM's New York office) and has overall responsibility for the management of the investments of this fund. Mr. Miller is supported by a team of investment and operational support professionals employed by the Registrant and its UK affiliates, James Caird Asset Management LLP ("JCAM LLP") and James Caird Asset Management (UK) Limited. JCAM LLP is a limited liability partnership registered in England and Wales and is authorized and regulated by the United Kingdom's Financial Services Authority.

The JAE Credit Fund and the other funds managed by JCAM are collectively referred to in this brochure as the JCAM Funds.

Each JCAM Fund has entered into an investment management agreement with JCAM Ltd. The Registrant, together with JCAM LLP, has authority to trade on behalf of each JCAM Fund through a series of sub-investment management agreements.

JCAM (NY) LP ("JCAM NY") is a Delaware limited partnership with three partners, Robert Miller, Timothy Leslie and its general partner, the General Partner. JCAM NY currently holds the class M shares of JAE Credit (Master) Fund Limited and, as a result, is entitled to receive some or all of the performance allocation associated with the JAE Credit Fund.

Each JCAM Fund is subject to the investment restrictions and guidelines outlined in its confidential private placement memorandum ("PPM") and its organizational documents. JCAM manages the JCAM Funds in accordance with these requirements, restrictions and guidelines. Subject to the foregoing, JCAM has full trading discretion on behalf of the JCAM Funds. JCAM does not require, and does not seek, approval from the JCAM Funds or the investors in the JCAM Funds with respect to its trading on behalf of the JCAM Funds. JCAM does not tailor its advisory services to the individual needs of investors in the JCAM Funds and investors in the JCAM Funds may not impose restrictions on investing in certain securities or types of securities other than those provided in the PPM. JCAM does not participate in wrap fee programs.

This Brochure is not an offering and does not fully represent the complete terms for any JCAM Fund, including, but not limited to, the JAE Credit Fund.

Item 5. Fees and Compensation

Management Fees and Performance Compensation

With the exception of certain management share classes which do not pay performance based compensation, the JCAM Funds pay a management fee and, subject to performance criteria being met, performance based compensation directly to JCAM. Each JCAM Fund has its own compensation structure, as detailed in the relevant PPM. Management fees range from 1% to 2% (calculated either on an initial capital contribution or net asset value basis, depending on the JCAM Fund) and performance based compensation which ranges from 15% to 20%. Management fees are paid monthly in arrears and performance compensation is either quarterly or annual depending on the fund or in some cases only once amounts in excess of initial capital invested are returned to investors. In certain cases, performance hurdles and preferred returns are built into the fee structures.

Other Types of Fees

Each JCAM Fund generally bears all expenses incurred in connection with its trading and investment activities, all of its ordinary and extraordinary legal, operating, accounting, administrative and auditing fees and expenses, the cost of directors' and officers' insurance including in relation to the indemnities granted under the relevant investment management agreement, as well as the expenses incurred in connection with the initial and continuous offerings by such JCAM Fund. In addition, in certain circumstances, internal legal fees of JCAM may also be charged to the JCAM Funds. All material additional fees borne by a JCAM Fund are disclosed in the PPM of the relevant JCAM Fund.

See Item 12 *Brokerage Practices* for information regarding brokerage fees.

Method of Payment

All fees are deducted from the NAV of the Funds, except for redemption fees which are deducted from the redemption proceeds paid to investors. All fees are paid in arrears and not in advance and therefore no fee refunds would be required in the event of termination of an advisory contract.

Fee Differentiation

The management fee and performance compensation for a particular JCAM Fund are generally not negotiable but JCAM may agree to waive, reduce or rebate compensation with respect to one or more investors without entitling other investors to such waiver, reduction or rebate.

Additional information

Certain JCAM funds apply a redemption fee or other penalties for redemption. These fees are retained by the JCAM Funds, however in certain circumstances, as set out in the relevant JCAM Fund PPM, a proportion of the fee is payable to JCAM.

JCAM does not accept compensation for the sale of securities in any of the JCAM Funds.

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

As noted in Item 5, JCAM receives performance-based compensation from the JCAM Funds. All performance-based compensation is paid in accordance with Section 205 and Rule 205-3 under the Investment Advisers Act of 1940 ("Advisers Act"). JCAM does not manage any accounts that have a different fee structure, such as accounts that pay only an asset-based fee.

The performance-based compensation received by certain JCAM Funds creates a conflict between JCAM's interest in earning a profit in the short term with the long-term interests of the JCAM Funds and their investors. Specifically, JCAM may have an incentive to invest assets in investments that are riskier or more speculative than would be the case if JCAM were only compensated based on a flat percentage of capital, because these investments may allow JCAM to collect larger performance-based compensation which may be based on unrealized profits.

The percentage of performance-based compensation differs between JCAM Funds, partly to reflect the level of risk and potential reward associated with those strategies. Policies and procedures, in particular a Conflicts of Interest Policy and an Allocation and Aggregation Policy, ensure that investments are selected, managed and allocated, where relevant, among JCAM Funds fairly and equitably on an overall basis. Each JCAM Fund has a discrete investment strategy and the existence of different performance-based compensation between two different JCAM Funds does not influence investment decision-making.

Item 7. Types of Clients

The Registrant provides advisory services to pooled investment vehicles. The investors in these pooled investment vehicles may include, inter alia, high net worth individuals, registered investment companies, other pooled investment vehicles, pension and profit-sharing plans, charitable organizations, trusts, estates, endowments, foundations, corporations and other types of institutional investors. These investors may include ERISA assets.

United States investors must be “qualified purchasers” as defined in the Investment Company Act of 1940 and “accredited investors” as defined in the Securities Act of 1933. For the JAE Credit Fund, the minimum initial subscription per subscriber is generally \$5,000,000 (with the exception of a management share class where the minimum is \$100,000) but this may be waived at the discretion of the Board of the JAE Credit Fund but always subject to the Cayman Islands regulatory minimum of \$100,000.

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

JCAM's investment objective varies between JCAM Funds, however JCAM has traditionally been regarded as a global credit orientated manager. In this regard, its focus is to seek opportunities to invest across the capital structure of companies, financials and sovereigns based on identification of imbalances in valuation across credit ratings, industry sectors and geographic regions. The Registrant also seeks opportunities to allocate capital and risk strategically across a broad range of markets and instruments. Portfolio positions may reflect directional, relative value, capital structure arbitrage or other investment strategies.

Certain JCAM Funds are niche funds. For example, the JCAM Mortgage Opportunities Fund (the "MOF Fund") is a discrete niche fund with a specific limited and narrow rationale to invest in US mortgage backed securities. The MOF Fund has an explicit investment mandate such that with effect from November 15, 2011, it ceased making new investments.

The Registrant applies both bottom-up fundamental research and a top down assessment of qualitative as well as quantitative and technical factors in making investment decisions. Trading decisions are, primarily, made on fundamental analysis with the aim to provide positive returns in any and all market conditions. JCAM's investment strategy is multi-faceted therefore and focuses on utilizing the investment professionals' ability and experience to find the best relative value opportunities, rather than focusing on one particular style.

All investing in securities involves the risk of loss, either in whole or in part, that clients should be prepared to bear. Investors are encouraged to carefully review the full description of risk factors presented in the specific JCAM Fund's PPM and the accompanying subscription documents.

Risk Management

JCAM employs an approach to risk management and portfolio rebalancing which it considers appropriate for each JCAM Fund. Investment restrictions are set out in the relevant JCAM Fund PPM. Exposure can be global, and geographical bias can vary with market conditions; however, with the exception of the MOF Fund, there will typically be a significant exposure to non-US markets. Surplus cash is generally invested in U.S. treasury funds (with an independent custodian), U.S. treasury repos, or deposited with a prime broker or custodian.

Senior investment professionals, including Robert Miller and Timothy Leslie, oversee investment risk depending on the JCAM Fund in question.

Concentrations, liquidity, leverage and other market risk indicators are reviewed periodically. There are no set leverage limits in any JCAM Fund (with the exception of the MOF Fund which does not employ leverage) but leverage is closely monitored. Liquidity expectations are reflected in the redemption terms for each JCAM Fund.

All JCAM Funds use an independent administrator, Citco Fund Services, to provide fund administration, including calculation of the net asset value, and shareholder services such as take-on of new clients, processing of subscriptions and redemptions, and investor reporting.

Hedging

Various hedging tools are utilized in the investment process to manage market exposures, risk and volatility, including, but not limited to, derivative instruments such as credit default swaps and interest rate swaps. Depending on the JCAM Fund, the portfolio is typically hedged by strategy, with a general objective to hedge material non-US dollar currency exposure in the JCAM Fund (the U.S. dollar being the base currency of each JCAM Fund), other than where the currency exposure is part of the investment strategy or JCAM otherwise determines not to hedge the exposure.

Short positions may be used to hedge but, given the intention to generate strong returns in all market environments, short positions may also be an important profit generator.

Material Risks

The following risk factors are not, and do not purport to be, a complete explanation of all potential risks pertaining to investment. Investors should read the PPM of the relevant JCAM Fund for a full risk evaluation before making any investment decision. The risk factors do not seek to identify the specific funds to which they may be most relevant and in some cases they may not be relevant at all to a particular JCAM Fund.

Risks Related to Fund Investments

The “alternative investment strategies” employed in the JCAM Funds are subject to risk of loss, including a “risk of ruin”—sudden and material losses—which cannot be foreseen based upon past performance. This is particularly the case for the JCAM Funds, most of which employ leverage.

Investment Management Risk

The investment performance of the JCAM Funds is dependent primarily on the services of certain key partners and employees of the Registrant and its affiliates. In the event of the death, incapacity, departure or

withdrawal of such individuals, the performance of the JCAM Funds may be adversely affected.

Investments Outside of the United States

The Registrant's investments outside of the United States involve certain risks. For example, trading outside the United States is not regulated by any U.S. regulator and may, therefore, be subject to more risks than trading on U.S. exchanges. Other considerations include exchange control regulations, reduced and less reliable information about issuers and markets, different accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees, local economic or political instability and greater market risk in general. Moreover, unless the JCAM Funds hedge themselves against fluctuations in the exchange rates between the U.S. dollar and the currencies in which trading is conducted on such exchanges, any potential profits could be eliminated and losses could be incurred as a result of adverse changes in exchange rates. The JCAM Funds may have to convert assets into other currencies in order to meet margin requirements. The JCAM Funds may attempt to hedge themselves against fluctuations in the exchange rates but such hedging may or may not be successful and could, in any event, involve significant costs.

Borrowing and Leverage

JCAM Funds (with the exception of the MOF Fund) may employ leverage for the purpose of making investments and are not subject to restrictions in this regard except those imposed by law. The use of leverage may create special risks and may significantly increase the JCAM Funds' investment risk. Leverage may create an opportunity for greater yield and total return but, at the same time, may increase a portfolio's exposure to capital risk. Any investment income and gains earned on an investment made through the use of leverage that are in excess of the costs associated therewith may cause the value of a portfolio to increase more rapidly than would otherwise be the case. Conversely, where the associated costs are greater than such income and gains or, under certain circumstances, if the leverage is terminated by the leverage provider or counterparty in advance of the investment's term, the portfolio value may decrease more rapidly than would otherwise be the case.

Debt Securities

JCAM Funds may invest in sub-investment grade or unrated debt securities which may be subject to greater risk than higher-rated debt securities. Because investors generally perceive that there are greater risks associated with unrated and below investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities

may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the JCAM Funds. The JCAM Funds may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The JCAM Funds may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The JCAM Funds may invest in debt securities which are subject to the significant risk of the issuer's inability to meet principal and interest payments on the obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity risk (market risk).

Credit Default Swaps

The JCAM Funds may purchase and sell credit derivatives contracts including credit default swaps for hedging, investment and other purposes. The JCAM Funds may also buy or sell credit default swaps on a basket of reference entities.

As a buyer of credit default swaps, the JCAM Funds are subject to certain risks in addition to those described under "Derivatives", below. In circumstances in which the JCAM Funds do not own the debt securities that are deliverable under a credit default swap, the JCAM Funds are exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called "short squeeze". While the credit default swap market auction protocols reduce this risk, it is still possible that an auction will not be organized or will not be successful. In certain instances of issuer defaults or restructurings (for those credit default swaps for which restructuring is specified as a credit event), it has been unclear under the standard industry documentation for credit default swaps whether or not a "credit event" triggering the seller's payment obligation had occurred. The creation of the ISDA Credit Derivatives Determination Committee (the "Determination Committee") is intended to reduce this uncertainty and create uniformity across the market, although it is possible that the Determination Committee will not be able to reach a resolution or do so on a timely basis. In either of these cases, the JCAM Funds would not be able to realize the full value of the credit default swap upon a default by the reference entity.

As a seller of credit default swaps, the JCAM Funds may incur leveraged exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, the JCAM Funds will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations. In addition, the

credit default swap buyer may have broad discretion to select which of the reference entity's debt obligations to deliver to the JCAM Funds following a credit event and will likely choose the obligations with the lowest market value.

High Yield Securities

The JCAM Funds may purchase "high yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominately speculative with respect to the issuers' capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of a deterioration in general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate to a materially greater extent than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, and the illiquidity of this market can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may contribute to a decrease in the value and liquidity of such lower-rated securities.

Loans

In relation to trading of loans either directly or by way of participations, the ability of the JCAM Funds to acquire or dispose of positions may be restricted, delayed or prevented to the extent that any conditions to transfer are required to be satisfied. Such conditions may include, without limitation, obligations on the JCAM Funds, as transferee, to provide satisfactory confidentiality undertakings to the borrower, grantor of a participation or transferor to procure the same from any onward transferee. The underlying documents governing the JCAM Funds' holding of a loan position may contain restrictions on the JCAM Funds' ability to transfer its loan position, including that the consent of the grantor of any participation may be required. There may also be restrictions on transfer in the underlying loan documents. In addition, illiquidity in the market for trading loan positions may affect the JCAM Funds' ability to dispose of, and realize value in respect of, its loan positions.

JCAM Funds may invest in loans made to companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although the terms of such financing may result in significant financial returns to the JCAM Funds, they involve a substantial degree of risk. The

level of analytical sophistication, both financial and legal, necessary for successful financing to companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the assets collateralizing the loans or the prospects for a successful reorganization or similar action will be correctly valued. In any reorganization or liquidation proceeding relating to such a company, the JCAM Funds may lose all or part of its investment or may be required to accept collateral with a value less than the amount of its investment in the loan.

There are no restrictions on the credit quality of the loans in which the JCAM Funds may invest. Loans may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain loans may have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than better quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain loans also tend to be more sensitive to changes in economic conditions than better quality loans.

Equity and Equity-linked Securities

JCAM Funds may invest in equity and equity-linked securities (including equity-based derivatives), the values of which vary with an issuer's performance and movements in the broader equity markets. Numerous economic factors, as well as market sentiment, political and other factors, influence the value of equities. At any given time, the JCAM Funds may have significant investments in companies with smaller market capitalizations. These securities often involve greater risks than the securities of larger, better-known companies, including less liquidity and greater volatility.

A number of the equity-like financial instruments in which the JCAM Funds may trade are referenced to underlying equities but incorporate other components - duration, strike price, premiums, etc. - which may result in the JCAM Funds' positions being unprofitable even though the Sub-Investment Managers may have correctly assessed the market value of the underlying equity.

JCAM Funds may invest in preferred stock, convertible securities and warrants. The value of such instruments varies with movements in the equity market and the performance of the underlying common stock in particular. The market value of convertible securities tends to decline as interest rates increase, and vice versa. However, when the market price of the common stock underlying a convertible security exceeds the conversion price of that convertible security, a convertible security tends to reflect the market price of the underlying common stock. The market

value of a warrant may be zero if the market price of the underlying securities remains lower than the specified price at which the holder of the warrant is entitled to buy such securities.

JCAM Funds may engage in trading common stock. Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer. Moreover, in the event of insolvency or winding-up a company in which the JCAM Funds is invested, the claims of ordinary shareholders rank behind all other claims. Resulting losses to the JCAM Funds could have a material adverse effect on the performance of the Fund and returns to investors.

Market prices of equity securities as a group have dropped dramatically in a short period of time on several occasions in the past, and they may do so again in the future. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or which are the subject of rumors of accounting irregularities. These factors may adversely affect the JCAM Funds and, consequently, their value.

Derivatives

Derivative financial instruments ("derivatives") include, without limitation, futures, options, interest rate swaps, forward currency contracts and credit derivatives such as credit default swaps. Engaging in over-the-counter ("OTC") derivatives transactions subjects the JCAM Funds to a variety of risks including but not limited to: (1) credit risk (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) interest rate risk (movements in interest rates); (3) basis risk (relative movements in two or more (related) rates or prices); (4) market risk (adverse movements in the price of a financial asset or commodity); (5) legal risk (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (6) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (7) documentation risk (exposure to losses resulting from inadequate documentation); (8) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (9) systemic risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (10) concentration risk (exposure to losses from the

concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (11) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Futures

JCAM Funds may invest in futures. The futures markets are highly volatile and a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Moreover, most U.S. futures exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Such regulations could prevent the JCAM Funds from promptly liquidating unfavorable positions and thus subject the JCAM Funds to substantial losses.

Options

JCAM Funds may engage in the trading of fixed income options, foreign exchange options, equity options, volatility options and commodity options including options on physical commodities. Such trading is highly leveraged and may involve risks substantially similar to those involved in trading margined securities or commodity futures contracts. Specific market movements of the securities, commodities or futures contracts underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of capital loss equal to the entire purchase price of the option. The writer of an option is subject to the risk of capital loss equal to the difference between the premium received for the option and the price of the security, commodity or futures contract underlying the option which the writer must purchase or deliver upon the contingent exercise of the option.

Short Sales

With the exception of the MOF Fund, the JCAM Funds engage in “short sales” (i.e. the sale of a security which the portfolio does not own in the hope of purchasing the same security at a later date at a lower price) in which there is no limit to the amount of potential loss. The JCAM Funds will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which such JCAM Fund covers its short position (i.e. purchases the security in the open market). The JCAM Funds will realize a gain if the security declines in price between these dates by an amount sufficient to offset net expenses of the short sale. A short sale involves the theoretically unlimited risk of loss occasioned by an increase in the market price of the security that is the subject of the short sale.

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase. A number of governmental and regulatory agencies prohibited or materially restricted the short-selling of financial and other equities during the period following the Lehman Brothers bankruptcy. Certain of these restrictions are ongoing, and there are indications that certain restrictions may be reinstituted in jurisdictions in which they had been relaxed. Any ongoing restrictions on short-selling could materially adversely affect certain of the JCAM Funds' strategies.

Inflation

The enormous amounts of financial assistance which governments and central banks made available in an effort to resolve the "financial crisis" of 2007-2009 may influence material levels of inflation, particularly in the less developed nations in which the JCAM Funds may invest a portion of their portfolios. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economics and securities markets of numerous economies. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on each JCAM Fund's returns. Certain of the markets in which the JCAM Funds invest may be particularly vulnerable to inflation.

Credit Strategies

JCAM's credit strategies attempt to take advantage of undervalued securities as well as relative mispricing. The identification of attractive investment opportunities in disrupted credit markets is difficult and involves a significant degree of uncertainty. The credit markets are, in general, highly susceptible to interest-rate movements, government interference, economic news, and investor sentiment. There has been significant volatility in the credit markets in recent years .

During periods of "credit squeezes" or "flights to quality" — — the market for credit instruments other than U.S. Treasury bills can become substantially reduced. This poses a particular risk that leveraged credit instrument positions held by hedge funds that pursue credit related investment strategies may need to be sold at discounts to fair value in order to meet margin calls. At the same time, the dealers may correspondingly reduce the value of outstanding positions, resulting in additional margin calls as loan to value triggers are hit under prime brokerage and swap agreements. The market for credit instruments has at times been so illiquid that a number of private investment funds had to

sell otherwise highly desirable investments in other asset classes in order to meet margin calls on their credit positions.

Concentrated Portfolio Risk

Certain JCAM Funds may have concentrated portfolios. For example, the MOF Fund invests solely in Agency MBS and other JCAM Funds may, from time to time, also have concentrated portfolios.

Interest Rate Risk

The performance of the MOF Fund is particularly subject to both the overall level of interest rates and to the spreads between interest rates. For example, it is possible for short-term interest rates such as U.S. Dollar LIBOR rates to rise while long-term rates such as mortgage rates are concurrently falling. The returns to investments such as inverse IOs are negatively affected by both of these events: as U.S. Dollar LIBOR rates rise, the coupon on an inverse IO falls, and as mortgage interest rates fall, voluntary prepayments of underlying mortgages generally increase. If short term rates rise, and/or longer term rates fall, and the movement is substantial, and/or rates do not return to the levels that prevailed at the time the MOF Fund invested its capital, the MOF Fund's return could be significantly reduced including the complete loss of invested capital. Changes in interest rates could also coincide with or affect other broader economic activity or conditions that could increase the risk of foreclosure on underlying mortgages. A foreclosure on an underlying mortgage has the same negative impact to cash flows on IOs and inverse IOs as a prepayment on that underlying mortgage. While changes in longer term rates, specifically mortgage interest rates, will have an impact on prepayments, the precise impact of any change is unknown. Changes in LIBOR or other coupon benchmark rates, however, will have a direct, immediate impact on an inverse IO that is generally known.

Guarantor Risk

Ginnie Mae, Fannie Mae and Freddie Mac provide guarantees of mortgages and certain obligations under CMOs they issue. While Fannie Mae and Freddie Mac are formed and operated, to some extent, under U.S. Government auspices, their guaranty obligations are not backed by the full faith and credit of the U.S. Government. Should Fannie Mae or Freddie Mac fail to fulfil their guarantee obligations as to CMOs the MOF Fund owns then the Fund's receipt of payments from those CMOs could be materially adversely affected. Further, any such failure could materially reduce the market value of all Fannie Mae or Freddie Mac issued CMOs. The Registrant believes that the investments acquired and traded should generally be without credit risk on account of the guarantees provided by the Agencies. However, political action or other unpredictable events may

lead to at least certain investments, even if ultimately paid, not being paid promptly.

Intervention Risk

The MOF Fund's strategy partially relies on the continuing inability of existing mortgagees to refinance their current mortgages into lower, nationally prevailing mortgage rates. For many of these mortgagees, the difference between their existing mortgage and the currently available national mortgage rate is material. A number of factors could negatively impact this assumption. For example, a widespread, immediately implemented, and highly efficient government mandated refinance program could facilitate substantively higher prepayment rates than that currently projected. In addition, a loosening of Agency underwriting guidelines for refinance applications could have the effect of increasing prepayment. Likewise, an immediate and sustained increase in "strategic defaults" could have the impact of increasing prepayment above levels projected. These and other unforeseeable interventions into the current MBS market by the Agencies and/or Federal Government could negatively impact investment returns.

Item 9. Disciplinary Information

There has been no disciplinary or legal matter with respect to the Registrant, its partners, officers or principals which is material to a client or prospective client's evaluation of the Registrant's advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

The Registrant has no registration or application pending to register as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading adviser ("CTA") or associated person of an FCM, CPO or CTA.

The Registrant is part of a group structure. JCAM Ltd and JCAM LLP are "exempt reporting advisors" and are filing their own Form ADV Part 1 report. Further information regarding these affiliates has also been provided as part of the Registrant's ADV Part 1A submission. Further, the Registrant has a number of affiliations described under Item 4, Advisory Business.

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

Code of Ethics

The Registrant has instituted a Code of Ethics in adherence with SEC rule 204A-1 which establishes and inculcates the principle that the Registrant owes a fiduciary duty to its clients and therefore that the Registrant's employees must avoid any activities, interests and relationships that run contrary (or might be perceived to run contrary) to the best interests of its clients.

To ensure the appropriate treatment of clients and the ethical conduct of its partners, employees and associates, the Registrant seeks, by training, oversight and management communication and emphasis, to instill the following key tenets in all staff:

- *The client comes first* - As a fiduciary, the Registrant must act in clients' best interests and should the interests of it and a client ever conflict, the interests of the client would be put ahead of those of the Registrant. Neither the Registrant nor its affiliates or staff should benefit at the expense of its clients.
- *Conflicts of interest must be either avoided or adequately mitigated. In particular:*
 - *Personal investing is secondary to client interests and employees must adhere to the Registrant's Personal Account Dealing requirements* – to ensure employees' personal investing is appropriate and that there is no possibility (either perceived or actual) of employees taking advantage of information to which they are privy, personal investing is carefully controlled. This is done to ensure that no employee leverages from, or takes advantage of, the trading done by the Registrant or any part of JCAM (e.g. by practices such as "front-running" which are prohibited) on behalf of the JCAM Funds.
 - *Staff should avoid taking advantage of their position* – Employees must not accept investment opportunities, gifts or other gratuities from individuals or entities seeking to conduct business with the Registrant, or any part of JCAM, or on behalf of a client or counterparty where such opportunities, gifts or gratuities could create the appearance of impropriety or might otherwise influence a decision to conduct business with such other party. All gifts and hospitality received are to be reported and any gift with a high value must be pre-approved.

- *Full compliance with all relevant securities laws and regulations is essential.* All employees are required to abide by the relevant regulations and in particular the standards set forth in the Registrant's Code of Ethics.

The Registrant will provide a copy of its Code of Ethics to any client or prospective client upon request.

Personal Trading

As indicated in the Code of Ethics and detailed in the Personal Account Transactions (Personal Securities Transactions) Dealing Policy ("PA Dealing Policy"), employees of the Registrant (and affiliated JCAM entities) are restricted in their personal trading to ensure that it is appropriate and that their focus is in the best interests of clients. They are expressly forbidden to purchase or sell any security unless the transaction occurs in an exempt security or the employee has complied with the requirements of the PA Dealing Policy (summarized below).

All non-exempt personal account transactions must be pre-approved by the Chief Compliance Officer or his designate, and written clearance provided. Checks with traders and against the firm's trading records are done before this approval is granted and records of those checks and the request and approval are maintained by the Chief Compliance Officer. A written form reminds the individual of their responsibilities and must be signed and completed to formally request approval for a personal transaction.

Permission will not be given to establish a position in any security that is, at the time of the request, held (long or short) or has been traded in the previous 30 days by any JCAM Fund. Trading by the JCAM Funds does not just apply to a particular security but to any relevant investment related to the same issuer. Permission to close existing positions that are, or have been, held by the JCAM Funds will only be granted providing there has been no trading on the day of the request (either known or contemplated).

No short positions, synthetic or otherwise, are permitted and any position established must be held for a minimum of 30 days before it can be closed (in whole or in part). This 30 day limit has been established to prevent short-term or frequent trading.

New employees are required to report all investments that are held at the date of their commencement of employment (e.g. via a statement of account) as well as quarterly. These initial investments may be sold, once employment has commenced, provided that prior written approval for the trade is obtained and a statement provided to the Chief Compliance Officer. All holdings reports must conform to the information requirements and should cover the individual and any other "relevant

person" (i.e. linked individuals such as family members) and as defined in the PA Dealing Policy. They must also provide duplicate brokerage statements and disclose any new brokerage account (which must be with one of the brokers authorised for usage by the Registrant).

The Chief Compliance Officer ensures personal trading by the firm's employees and partners is in compliance with the requirements of the PA Dealing Policy and the regulations and laws governing market conduct.

Material Non Public Information

All employees are given guidance and training to ensure that they are aware that whenever they receive, or intend to receive (whether deliberately or inadvertently), information which they believe might constitute material non public information ("MNPI") about a company that has issued publicly traded securities (a "Public Company") they must contact the Chief Compliance Officer. Where material non-public information has been received or is to be received, the Chief Compliance Officer will immediately add the company to a Restricted List.

The Restricted List is circulated to all employees within the JCAM Group, whether investment professionals or non investment professionals, on a contemporaneous basis and therefore all employees will be regarded as aware that the Registrant has had exposure to MNPI about a Public Company and therefore that trading in that company, and any relevant linked instruments, is restricted. No trading of securities in a company on the Restricted List is permitted by any employee. This includes, but is not limited to, trading in an employee's personal account or on behalf of a JCAM Fund.

Employees are also responsible for notifying the Chief Compliance Officer of any other circumstances in which there might be a reason why the Registrant should be restricted or where there is any issue, individual or corporate, pursuant to the Code of Ethics.

Participation or Interest in Client Transactions

The Registrant manages JCAM Funds in which principals of JCAM (or parties connected thereto) may have an aligned investment interest in a personal or otherwise connected capacity (e.g. as an investor in said JCAM Funds). The JCAM Funds are managed in accordance with the investment management agreements detailed previously and the potential conflict of interest inherent in this arrangement namely that the investment manager may put their interests before those of stakeholders is managed, monitored and mitigated by the company's policies and procedures in particular its Conflicts of Interest and Allocation and Aggregation policies. These arrangements do not permit such action and monitoring seeks to ensure that this is the case.

Item 12. Brokerage Practices

Best Execution

The Registrant seeks to achieve best execution (namely the best possible result) for its clients. The Registrant regularly assesses the brokers ("execution venues") available for execution and maintains an authorized broker list which governs the approved venues.

The Registrant exercises discretion in determining the most appropriate venue, and this selection and expertise is integral to the investment management service provided to investors. The venue selected will depend in part on the asset in question and may involve a counterparty for on or off exchange trading or a Regulated Market or Multilateral Trading Facility. In particular, the Registrant considers the following factors in determining the venue in which an order will be executed:

- price;
- costs;
- speed;
- likelihood of execution or settlement;
- size of the order;
- nature of the order;
- governing documentation (terms); and
- any other consideration relevant to the efficient execution of the order.

The relative importance of the factors is determined by considering:

- our clients' characteristics;
- the characteristics and nature of orders;
- the characteristics of the financial instruments; and
- the characteristics of the execution venues.

Ordinarily, price will merit a relatively high importance in obtaining the best possible result as will liquidity. In over-the-counter markets, documentation provisions and counterparty credit ratings will also be pertinent. In certain circumstances, for some client orders, financial instruments or markets, JCAM in its absolute discretion may decide that other factors are more important in determining the best possible execution result in accordance with our order execution policy.

Research and other Soft Dollar Benefits

JCAM has not to date entered into any soft dollar arrangements and currently has a policy not to enter knowingly into any soft dollar arrangement. Research is provided to JCAM by a range of brokers and sources. JCAM does not use affiliated brokers or receive any compensation in connection with the purchase or sale of securities. Research obtained may be considered to be a benefit to JCAM because JCAM does not have to produce or pay for the research, and it may create an incentive to select or recommend a broker-dealer based on receiving the research rather than on the clients' interest in receiving the most favorable execution. Research obtained by JCAM does not ever solely determine or decide the decision as to where an order is placed though it may be a consideration in the decision.

Aggregation and Allocation of Trades

The Registrant regularly reviews and updates its Allocation and Aggregation Policy which covers the methods by which the Registrant establishes, monitors and reviews its procedures and provisions to handle and allocate orders in a fair and appropriate manner and in accordance with the SEC's rules, in particular section 206 of the Investment Advisers Act.

Each of the JCAM Funds has a different investment rationale. This allows allocation and aggregation to be managed based on clearly articulated principles (in particular the overarching principle that allocation is fair, appropriate and clearly justifiable in the context of the trading strategy of a JCAM Fund) and intentions even when specific allocation proportion rules have not been assigned or are judged inappropriate in a particular instance.

Therefore, while the general rules seek to provide clarity and guidance with regard to allocation, there may be occasions where the restrictions applicable to a particular JCAM Fund or the nature, risk profile or size of the trade require a different allocation. The strategies and investment parameters of a particular JCAM Fund and the rationale for a particular trade will generally determine allocation. Allocations are monitored and reviewed regularly across all JCAM Funds to ensure adherence to the Allocation and Aggregation Policy and to confirm that the allocation of investments among the JCAM Funds is appropriate and fair.

Orders are aggregated (or not) based upon the best interests of each client. Generally, orders are placed concurrently or collectively to prevent a price move to the disadvantage of any one party. Where orders must be placed separately, JCAM does not permit the interests of one JCAM Fund to predominate over another.

Trade Errors

The Registrant seeks, in accordance with its fiduciary responsibilities, to effect orders correctly, promptly and in the best interests of the Registrant's clients. The Registrant has established policies and procedures regarding the handling of trading errors in which the Registrant treats all trading errors, including those which result in losses and those which result in gains, as for the account of the client, unless the errors are the result of conduct on the part of employees of the Registrant which is inconsistent with the appropriate standard of fiduciary care as established in the relevant Fund PPM. In the event a trade error occurs, the Registrant's policy is to seek to identify and correct any errors as promptly as possible. The Registrant's trade error policies and procedures require the documentation of each identified trade error on an error form template, and the Chief Compliance Officer maintains an errors register. The Chief Compliance Officer and Chief Operating Officer review and sign each form and for significant occurrences, the Chief Executive Officer must also sign the error form, to demonstrate appropriate supervisory approval and remediation.

Agency Cross Trades

The Registrant normally does not conduct or participate in agency cross trades and seeks to avoid such trades wherever possible. In very limited and exceptional circumstances, and only with the approval of the Fund Board, such trades may take place and would give regard to the requirements of SEC Rule 206 (3)-2.

Item 13. Review of Accounts

The Registrant performs a review of client accounts ranging from a daily review of investment performance and exposures, to a monthly review of the net asset value and performance attribution of the client account. Such reviews are conducted by senior management including the Chief Executive Officer and Chief Operating Officer, and senior investment professionals, including the Chief Investment Officer and the JAE Credit Fund Chief Investment Officer.

Investment performance information and reporting is provided to investors in the JCAM Funds on a regular basis by the Administrator (e.g. monthly net asset value statements are provided to investors in the JCAM Funds). Other information may include portfolio and strategy information, performance and profit and loss information and exposure concentrations by region, sector and asset class. JCAM also provides periodic written reports to provide further information on investment performance and portfolio positioning. Investors also receive fiscal year-end audited financial statements for the JCAM Funds in which they invest.

Item 14. Client Referrals and Other Compensation

The Registrant does not receive an economic benefit (e.g. sales awards or other prizes) from anyone that is not a client.

The Registrant does not compensate any person who is not a JCAM employee for client referrals.

An affiliate of the Registrant, JCAM LLP, has entered into distribution and referral agreements on behalf of the JCAM Funds to compensate third parties for the introduction of investors (both US and non-US) to the JCAM Funds. Customary fees, representing a proportion of management fees earned from the assets introduced to the JCAM Funds, are paid by JCAM LLP to the relevant referral agent.

On occasion, potential investors to the JCAM Funds are introduced by the prime broker(s) of the JCAM Funds. Such introductions are entirely independent of, and do not influence, the decision to utilize a particular broker for a particular trade.

Item 15. Custody

Although the Registrant does not maintain physical possession of JCAM Fund assets, a registered investment adviser who, directly or through an affiliate, acts as the general partner or managing member to a limited partnership or other comparable pooled investment vehicle is considered to have custody over client assets, and therefore the Registrant is considered under SEC rules to have custody of client assets.

The Registrant is exempt from many of the provisions of Rule 206(4)-2, however, because each JCAM Fund is audited in accordance with US generally accepted auditing standards ("US GAAS") on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Audited Financial statements, prepared in accordance with US generally accepted accounting principles ("US GAAP"), are distributed to each investor in the JCAM Funds within 120 days of the end of each fiscal year-end.

Item 16. Investment Discretion

The Registrant manages the JCAM Funds in accordance with the relevant sub-investment management agreements within the parameters set out in the relevant PPM. The sub-investment management agreements provide full discretion for the Registrant to determine the investment selection and portfolio with respect to certain assets of the JCAM Funds.

Item 17. Voting Client Securities

The Registrant has authority to vote client securities under the terms of the sub-investment management agreements. Therefore, in accordance with SEC rule 206 (4)-6, the Registrant has adopted policies and procedures that are designed to ensure that it votes JCAM Fund securities in the best interest of the JCAM Fund or JCAM Funds in question. These procedures are detailed in the Registrant's Corporate Actions and Proxy Voting policy and the Registrant's Conflicts of Interests policy and address the management of the conflicts, material and otherwise, that may arise between the interests of the Registrant or another part of JCAM, and the JCAM Funds or investors.

The policies referred to above and a record of all of the proxy votes cast on behalf of the JCAM Funds are available to clients upon request.

Item 18. Financial Information

The Registrant does not require or solicit pre-payment of more than \$1,200 in fees per client, six months or more in advance. There is no financial condition that is reasonably likely to impair the Registrant's ability to meet its contractual and fiduciary commitments to clients and it has not been the subject of a bankruptcy petition at any point in the past ten years.

Item 19. Requirements for State-Registered Advisers

Not applicable.