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Form ADV Part 2A

Item 1: COVER PAGE

This Brochure provides information about the qualifications and business practices of Spartus Capital Management LP (“Spartus”). If you have any questions about the contents of this Brochure, please contact us at 212-820-7240. The information in this Brochure has neither been approved nor verified by the United States Securities and Exchange Commission (“SEC”) nor by any state securities authority.

Additional information about Spartus is also available on the SEC’s web site at www.adviserinfo.sec.gov.

Spartus is presently in the process of registering with the SEC as an investment adviser. Registration with the SEC does not imply a certain level of skill or training.

Item 2: MATERIAL CHANGES

This Brochure is dated April 18, 2012 and is the initial Form ADV Part 2A document submitted by Spartus with its application for SEC registration. As such, there are no material changes to report. On an annual basis, this Item 2 will be revised to include a summary of any such changes.

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Item 4: ADVISORY BUSINESS

A. Description of Firm

Spartus is a Delaware limited partnership formed on July 29, 2011. Spartus is managed and controlled by its general partner, Spartus Capital Management GP LLC, a Delaware liability company formed on July 29, 2011. The only Spartus limited partner with an equity interest of 25% or more is John C. Liu.

B. Types of Advisory Services

While the information contained in this Brochure is accurate, it is not complete and provides only the disclosures required by the SEC for purposes of this filing. More detailed information is contained in Spartus' Confidential Memorandum, Subscription Documents, limited partnership agreements for the Spartus investment vehicles (described below), Due Diligence Questionnaire, and Company Policy Manual (collectively, the "Investor Documents"), all available on request.

Nothing contained in this Brochure is an offer to sell or solicitation of an offer to buy securities. Interests in the Funds (defined below) are offered and sold only on a private placement basis and pursuant to the terms set forth in the Investor Documents. Investors must consult with their own advisors when evaluating the information contained in the Investor Documents and must rely only on their own advisors when deciding whether to invest.

Spartus expects to provide investment management services to the following pooled investment vehicles (the "Funds"): Spartus Capital Master LP, an exempted limited partnership formed under the laws of the Cayman Islands; and Spartus Capital Offshore LP, an exempted limited partnership also formed under the laws of the Cayman Islands. The general partner of the Funds is Spartus Capital GP LLC, a limited liability company formed under the laws of Delaware. The members of Spartus Capital GP LLC are the same as the members of Spartus with the same proportion of equity shares in both cases. Spartus also anticipates providing investment management services to clients using separately managed accounts. Reference to the Funds shall include the separately managed accounts unless the context requires otherwise.

The following is a broad description of the investment strategies to be pursued by Spartus on behalf of the Funds:

- Spartus' investment objective is to earn the benchmark returns specified by the investors in the Funds (the "Benchmark Returns") plus an additional return based on the success of its divergent strategies executed principally in the equity and foreign currency markets.
- Spartus tailors its divergent strategies to institutional allocators who seek portfolio hedging during instances of broad "contagion;" i.e., periods when all asset classes are experiencing precipitous and correlated declines.

- Spartus' strategies seek to capitalize on mispricing of certain securities, particularly equities, currencies, and related derivative products.
- Spartus favors investments that have “long optionality;” i.e., more-bounded downside risk and less-bounded upside potential. One example could be a portfolio of S&P index options hedged with index futures. These are purchased with the goal of benefiting from an increase in market realized volatility.
- Spartus investments also seek to exploit positive “convexity.” Positive convexity means that the investment profits from significant movements up or down in an underlying risk factor, taking into account all of the components of the investment. Consistent with this, Spartus generally will not seek to forecast or make directional “bets” based on market prices.

C. Individual Tailoring Exists But Only On A Limited Basis

Investors in the Funds can choose their own Benchmark (as defined below) from among the following:

- U.S. 3-Month Treasury Bills
- S&P 500 Total Return Index®
- Russell 1000 Index®
- Russell 2000 Index®
- Barclays Treasury 20+ Year Index®
- Barclays TIPS Index®

Spartus also utilizes a third-party risk analytics strategic partner, FinAnalytica, to assist investors in the Funds with evaluating their own portfolios. This is done so that investors in the Funds can determine what they view as the appropriate size of an allocation to Spartus in light of the investors' specific hedging goals.

Investors investing in the Funds may not restrict investments in the types of securities utilized by Spartus beyond the restrictions identified in the Investor Documents.

Investors investing in Spartus' separately managed accounts generally may impose certain restrictions on the types of securities utilized by Spartus.

D. Wrap Fee Program

Spartus does not participate in a wrap fee programs.

E. Client Asset Amount Disclosure

As of the date of this Brochure, Spartus has not accepted any client funds and thus reports zero assets under management for purposes of this Brochure.

Item 5: FEES AND COMPENSATION

A. Fee Schedule

Spartus charges a management fee of 1.5% of a Fund's assets under management. This fee is not negotiable though Spartus may agree to a lower fee or no fee at its discretion.

Spartus also charges an incentive fee of 20% for performance attributable to the portion of its portfolio which does not consist of the Benchmark, subject to a loss carryforward mechanism. The Benchmark is selected by the investor and may be changed at the investor's discretion. Please see Items 4 and 8 for more information.

For more specifics about the Spartus fee structure, please see the Investor Documents.

B. Billing Method

Spartus deducts its management fees from client assets on a monthly basis in advance, within ten days of the start of each month. Spartus deducts its performance fee annually or upon withdrawal by an investor of its capital. Since withdrawals may only occur at month-end, there are no advanced-fee refunds to issue. For more details please see the Investor Documents.

C. Fees and Expenses

Investors in the Funds bear their proportionate share of all Fund operating and other expenses, expenses, including, investment-related expenses (e.g., brokerage commissions (also discussed below at Item 12, which see), investment-related travel expenses, expenses related to short sales, clearing and settlement charges (including give-ups), custodial fees, interests expenses, consulting and other professional fees related to particular investments), entity-level taxes, legal expenses, accounting, audit and tax preparation expenses, costs of printing and mailing reports and notices, corporate licensing, regulatory expenses (including filing fees), organizational and offering expenses, management fees, incentive fees, administration fees, expenses related to the maintenance of the Funds' registered office, risk management reporting, extraordinary expenses and other similar expenses related to the Funds. For more details please see the Investor Documents.

D. Compensation from the Sale of Securities

Neither Spartus nor any supervised person accepts compensation for the sale of securities.

Item 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Please see Item 5 above. No side-by-side management presently exists. For more details please see the Investor Documents.

Item 7: TYPES OF CLIENTS

Spartus generally provides investment advice to the Funds and managed accounts, as described above. Beneficial owners of managed accounts may include institutions, pension plans and other sophisticated investors.

Item 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

The following is a summary of the methods of analysis, investment strategies, and risk of loss associated with Spartus investments. It is not comprehensive and additional risks may exist, including unanticipated ones. Investing in securities entails risks of loss that investors must be prepared to bear including potential loss of an entire investment. For more information about Spartus' methods of analysis, investment strategies, and risk of loss, please see the Investor Documents and consult with your own advisors.

Investors in the Funds can select from the following benchmarks, each represented by a class of interests in the Funds ("Benchmark"):

- U.S. 3-Month Treasury Bills
- S&P 500 Total Return Index®
- Russell 1000 Index®
- Russell 2000 Index®
- Barclays Treasury 20+ Year Index®
- Barclays TIPS Index®

Spartus seeks to earn the Benchmark Return selected by each investor in the Funds.

Spartus also seeks to earn an additional return based on the success of Spartus' divergent strategies ("Alpha Return").

Once an investor selects a Benchmark, Spartus seeks to replicate it by purchasing securities that generate a return approximating the weighted average return of the Benchmark. There can be no guarantee that the returns generated by Spartus during any period will at least match the weighted average return of a Benchmark. Any Benchmark Return in excess of or less than the actual weighted return of a Benchmark will be deemed "tracking error" and allocated pro rata among all investors holding capital accounts in that Benchmark.

Assets constituting the Benchmark are used as collateral for executing Spartus' core strategies; i.e., the strategies that generate the Alpha Return.

Spartus' strategies seek positive convexity with respect to prices, volatility, skew, and kurtosis. Volatility, skew, and kurtosis are financial terms applicable to the pricing of options. Together, they reflect expectations about those prices. Put simply, positive convexity investments are ones that profit from significant movement up or down in an underlying risk factor, taking into

account all of the components of the investment. Consistent with this approach, Spartus generally will not seek to forecast or make directional “bets” based on market prices.

The foregoing notwithstanding, Spartus’ strategies contain inherent risks that are not entirely containable and that are not entirely foreseeable. Further, Spartus reserves the right to employ investment strategies beyond those described above, including using investments that are not exchange-listed or -cleared. Accordingly, an investment in Spartus is inherently subject to unlimited risk of loss including the potential loss of the entirety of an investment.

While all such risks cannot be quantified, the following is a summary of the potential risks associated with a Spartus investment. For more information, investors are urged to review the entirety of the Investor Documents together with consulting their own investment advisors.

Risks Relating to the Investment Program

Benchmark Amounts – Tracking Error. While Spartus intends to invest in securities with the goal of generating an investment return approximating the weighted average of the Benchmark Returns that will be allocated to the Fund investors’ separate accounts, there is no assurance that Spartus will be able to do so. (For the sake of clarity, this is distinct from the Spartus Alpha Return that is independent of the Benchmark Return.) Any return in excess of, and any shortfall in, the investment returns needed to support the allocation of the Benchmark Returns (i.e., positive or negative tracking error) will increase or reduce the Benchmark Returns to which the particular securities relate. Due to transaction costs and other factors, it is likely that an investor’s Benchmark Return will not be identical to that of the Benchmark it has chosen.

Benchmark Amounts – Market and Credit Risk. It is assumed that each investor in the Funds is and will be knowledgeable about and comfortable with the particular Benchmark chosen by it for purposes of computing the Benchmark Returns to be allocated in respect of its investment. Each Benchmark reflects different market, credit, currency, and other risks. Spartus will not take any steps to alter or control in any way these risks. The Benchmark Returns allocated in respect of any investment will reflect the return of the investments purchased to replicate the relevant Benchmark. Thus, if the return of the investments made to replicate a Benchmark is negative for a particular period, the Benchmark Return allocated in respect of all investments tied to such Benchmark will also be negative.

Spartus’ Investment Strategies. The success of Spartus’ Alpha Return investment strategies will depend on Spartus’ ability to identify and exploit inefficiencies in the financial markets. Identification and exploitation of these opportunities involve uncertainty. No assurance can be given that Spartus will be able to locate investment opportunities or exploit inefficiencies in the markets successfully. A reduction in inefficiencies that, in the view of Spartus, provide investment opportunities will reduce the scope of Spartus’ investment activities. In the event that the perceived mispricings underlying the Funds’ positions were to fail to converge toward, or were to diverge further from, relationships expected by Spartus, investors may incur a loss.

Further, the investments utilized in implementing such strategies will generally include derivatives, such as options. These products are themselves inherently volatile in the context of specific market movements and may not respond to market changes as anticipated by Spartus.

Certain of the investment strategies employed by Spartus are based on historical relationships. There can be no assurance that such historical relationships will continue and no representation is made by Spartus as to what results will be achieved based on such trends and relationships. Depending upon the investment strategies employed and market conditions, Spartus may be adversely affected by unforeseen events involving such matters as political crises, changes in currency exchange rates or interest rates, forced redemptions of securities, or acquisition proposals. There can be no assurance that material losses will not be incurred.

Because Spartus' investment strategies will be actively managed, purchases and sales of investments may be frequent and may result in higher transaction costs. No guarantee or representation is made that Spartus' program will be successful.

Liquidity of Investments. Spartus aims to invest in exchange-traded securities and other financial products, particularly in the derivatives markets, that are liquid. However, these securities may be subject to legal or other restrictions on transfer. Spartus may not be able to sell or close out such investments when it desires to do so, or to realize what it perceives to be their fair value in the event of a sale or close-out transaction.

Leverage and Financing Risk. Spartus will leverage its capital because it believes that the use of leverage may enable it to achieve higher rates of return. Spartus may pledge the Funds' securities and other assets in order to borrow additional funds for, among other things, its investment program, including to buy options. Spartus may also leverage the Funds' investment returns with options, short sales, forwards, futures contracts, and other derivative instruments.

In particular, in order to facilitate Spartus' investment program, it is expected that the cash invested by investors and the assets acquired with such cash in order to generate a return approximating the weighted average return of the Benchmarks will be: (1) posted as margin; (2) deposited as collateral; (3) sold in reverse repurchase agreement transactions; and (4) lent in the securities lending markets.

Investors in the Funds could thus bear both a decline in the value of the Benchmark(s) selected by them and a decline in the value of Spartus' investment portfolio. Both of these would, on a cumulative basis, decrease the net asset value of an investor's interest and the returns realized by such investor more so than if Spartus did not use leverage.

There is no limit on the amount of leverage that Spartus may use and the degree of this use of leverage will vary. The amount of leverage which may be represented in the Funds' portfolio at any time may be substantial in relation to its capital.

While leverage presents opportunities for increasing total returns, it also has the effect of potentially increasing losses. Accordingly, any event that adversely affects the value of an investment by the Funds would be magnified to the extent that the investment is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to Spartus' investment strategies could result in substantial losses that would be greater than if leverage were not employed.

Legal and regulatory actions taken in light of recent developments in the securities, derivatives, and credit markets may increase the cost of leverage and may limit the availability of leverage or the ability of the Funds' to use leverage.

“Widening” Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities and other financial products in which Spartus invests may decline substantially. In particular, purchasing assets at what may appear to be “undervalued” levels is no guarantee that these assets will not be trading at even more “undervalued” levels at a time of valuation or at the time of sale. It may not be possible to predict or hedge against such “widening” of risk.

Counterparty Risk. Some of the markets in which Spartus effects the Funds' transactions in connection with its trading program are “interdealer” markets (e.g., the currency market). The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Funds to the risk that counterparties will not settle transactions in accordance with their terms and conditions because of disputes over the terms of the contracts (whether or not such disputes are bona fide) or because of credit or liquidity problems (including the insolvency, bankruptcy, or liquidation of the counterparty), thus causing the Funds to suffer a loss. Such “counterparty risk” is greater for contracts with longer maturities where events may intervene to prevent settlement, or where Spartus has concentrated its transactions with a single counterparty or a small group of counterparties. Although Spartus anticipates that it will generally use a number of different counterparties and will monitor concentration risk, Spartus is not limited in the number or amount of transactions it may enter into with any particular counterparty nor is it restricted from concentrating any or all of its transactions with one counterparty. Moreover, Spartus has no internal credit function that independently evaluates the creditworthiness of its counterparties. The ability of Spartus to transact business with any one or a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

Risks Relating to Investment Instruments and Strategies

The following is a brief discussion of the securities traded by Spartus and certain associated risks.

Equity Securities. Spartus will invest in common stocks, preferred stocks, and convertible securities principally of U.S. issuers and, to a lesser extent, non-U.S. issuers. Spartus may also invest in depository receipts relating to non-U.S. securities. Equity securities fluctuate in value in response to many factors including the activities and financial condition of individual companies, the business market in which the individual companies compete, and industry market conditions along with general economic environments.

Options. Spartus may purchase and sell (“write”) options on equity indices, securities, currencies, commodities, or other financial products, or on financial indices (or components thereof), or on the relationships or “spreads” between prices of any of the foregoing. Spartus may purchase or sell options on national or international commodities and securities exchanges. The buyer of an option assumes the risk of losing its entire investment (the premium) in the option. This includes any marked-to-market gain previously accrued (i.e., unrealized gain previously accrued). The seller of an option may assume the risk of a theoretically unlimited loss.

Fixed Income Securities. Spartus will invest in bonds or other fixed income securities of U.S. and non-U.S. issuers. This includes debt securities issued or guaranteed by the U.S. Government or one of its agencies and instrumentalities and debt securities issued or guaranteed by a non-U.S. government or one of its agencies or instrumentalities. The values of fixed income securities in which Spartus invests will change in response to interest rate fluctuations. In addition, the values of certain fixed-income securities can fluctuate in response to changes in perceptions of creditworthiness, political stability, or soundness of economic policies. Fixed income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk). Fixed income securities are also subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (i.e., market risk). For fixed income securities used as part of the Spartus trading program, Spartus may seek to hedge against the risks mentioned above. However, there can be no assurance that it will succeed in doing so. Additionally, as noted above, no effort will be made to hedge any such risks inherent in any Benchmark.

Currency Investing. Spartus may invest directly and indirectly in global currencies. Investments in currencies are subject to numerous risks, not the least of which is the fluctuation of currency exchange rates. Exchange rates fluctuate for a number of reasons including inflation, trade deficits, interest rates, budget deficits, national savings rates, political factors, external balance sheet positions, and government control.

Counterparty Transactions. Although not a Spartus core strategy, Spartus has reserved the right to enter into a variety of transactions with private counterparties. The terms of these transactions are not standardized. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Transactions in these markets are substantially unregulated. For example, there are no requirements with respect to record-keeping, financial responsibility, or segregation of customer funds or positions. Nor is there any limitation

on daily price movements and speculative position limits are inapplicable. A party to an “over the counter” transaction must rely on its counterparty to fulfill its contract. As a result, such transactions are subject to greater risk than transactions in exchange-traded instruments (such as futures contracts and certain options). This includes the risk of default due to the unwillingness or inability of a counterparty to perform its obligations. Although Spartus seeks to trade with responsible counterparties, failure by a counterparty to fulfill its contractual obligations could expose the Funds to unanticipated losses. The principals who deal in such markets are not required to continue to make markets in financial instruments that they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in markets where Spartus is a participant due to unusually high trading volume, political intervention, or other factors. The imposition of controls by governmental authorities might also limit the ability of Spartus to enter into certain transactions, including closing transactions, to the possible detriment of the Funds. Market illiquidity or disruption could result in major losses to the Funds.

Repurchase and Reverse Repurchase Agreements. Although not a Spartus core strategy, Spartus has reserved the right to enter into repurchase and reverse repurchase agreements. When Spartus enters into a reverse repurchase agreement, it: (1) “sells” securities to a broker-dealer or financial institution; and (2) agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution together with interest at a negotiated rate. In a repurchase transaction, Spartus “buys” securities issued from a broker-dealer or financial institution subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by Spartus together with interest at a negotiated rate. The use of repurchase and reverse repurchase agreements involves certain risks. For example, if the seller of securities to Spartus under a repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, Spartus will seek to dispose of such securities and this could cause costs or delays. Proceeds from the sale of the underlying securities may be less than the repurchase price agreed to by the defaulting seller, and Spartus’ recourse against the seller may be limited. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, Spartus’ ability to dispose of the underlying securities may be restricted. Reverse repurchase agreements involve similar risks to Spartus when it is the seller of the securities. Spartus may be prevented or delayed from recovering the securities it has sold in such a transaction. It is also possible, in a bankruptcy or liquidation scenario, that Spartus may not be able to substantiate its interest in the underlying securities. Reverse repurchase agreements and repurchase agreements have the effect of creating investment leverage, which involves risks.

Loans of Portfolio Securities. Spartus may lend its portfolio securities on both a secured and an unsecured basis. In the event of the bankruptcy of the other party to a securities loan, Spartus

may be delayed in or prevented from recovering the securities it lent to such party. Additionally, in a case where Spartus has borrowed securities, Spartus may be delayed in or prevented from recovering collateral that it has provided to the lender. Lending and borrowing portfolio securities will have the effect of creating investment leverage.

Credit Default Swaps. Although not a Spartus core strategy, Spartus has reserved the right trade exchange-cleared credit default swaps. A credit default swap is a contract between two parties which transfers the risk of loss if a company or a sovereign entity: (1) fails to make timely payments of principal or interest on its debt securities; or (2) becomes insolvent. An exchange-cleared credit default swap is one that has been cleared through an exchange's clearing house. Credit default swaps can be used by the Fund's investment program and to implement Spartus' view that a particular credit, or group of credits, will experience a change in creditworthiness.

The credit default swap market is comparatively new and rapidly evolving. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default, and the shape of the U.S. Treasury yield curve, among other factors. As such, there are many factors upon which market participants may have divergent views.

Short Selling. Spartus may enter into short sales. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent the decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss. This is because the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that Spartus will be able to maintain the ability to borrow securities sold short. In such cases, Spartus could be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. An increasing number of jurisdictions are limiting the ability of market participants to engage in short selling in respect of certain securities. In some cases, these rules may also limit the ability of market participants to enter into a short position through a credit default swap or other similar derivatives contract. Such rules may limit or preclude the Fund from entering into short sales or otherwise taking short positions that Spartus believes could be advantageous to the Funds.

Futures Contracts. The value of futures depends upon the price of the securities, commodities, instruments, indices, or other financial measures underlying them. The prices of futures are highly volatile. Price movements of futures contracts can be influenced by, among other things, interest rates, inflation, foreign exchange rates, changing supply and demand relationships, trade,

government fiscal, monetary and exchange control policies, and national and international political and economic events. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which Spartus' positions trade along with the risk of failure of any Spartus clearinghouse or counterparty.

Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent Spartus from promptly liquidating unfavorable positions and subject the Funds to substantial losses or prevent the Funds from entering into desired trades. In extraordinary circumstances, a futures exchange, the CFTC, or other similar non-U.S. regulatory body or agency could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Other Derivative Instruments. Spartus may take advantage of opportunities with respect to derivative instruments and transactions of any nature that are not specifically described in this Brochure, whether they now exist or are developed in the future. Spartus would do so if it believed that they might assist in meeting Spartus' investment objectives. Those instruments and transactions may be subject to various types of risks, including market risk, liquidity risk, leverage risk, and the risk of non-performance by the counterparty, legal risk, operations risk, and other risks not described in this Brochure.

Hedging Transactions. Spartus may, but will not necessarily, utilize various financial instruments both for investment purposes and for risk management purposes in order to: (1) protect against possible changes in the market value of the Funds' investment portfolios resulting from fluctuations in the securities markets or changes in interest rates; (2) protect the Funds' unrealized gains in the value of the Funds' investment portfolios; (3) facilitate the sale of any such investments; (4) enhance or preserve returns, spreads, or gains on any investment in the Funds' portfolios; (5) hedge the interest rate or currency exchange rate on any of the Funds' liabilities or assets; (6) protect against any increase in the price of any securities Spartus anticipates purchasing at a later date; (7) protect against potential counterparty default risk; or (8) for any other reason that Spartus deems appropriate.

The success of Spartus' hedging strategies will be subject to Spartus' ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of Spartus' hedging strategy will also be subject to Spartus' ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

There can be no assurance that Spartus will enter into hedging transactions generally or with respect to any particular risk, or that any hedging transaction entered into by the Funds will be successful.

Currencies. Spartus may invest portions of its assets in instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. However, Spartus values its securities and other assets in U.S. dollars. Spartus may or may not seek to hedge all or any portion of the foreign currency exposure of the Funds. In particular, certain of the Benchmarks reflect unhedged currency exposure and Spartus will not seek to hedge this exposure. To the extent unhedged, the value of the assets of the Funds will fluctuate with U.S. dollar exchange rates as well as the price changes of the Funds' investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which Spartus makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the securities owned by the Funds in the local markets of such other currencies. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the non-U.S. dollar securities owned by the Funds.

Global Investments. Spartus may invest, as part of its trading program and in seeking to earn a return approximating the weighted average return of the relative Benchmarks, a substantial portion of the Funds' assets in the equity, debt, or other securities and financial instruments of issuers located outside the United States. All such investments may be affected by political, social, and economic uncertainties affecting a country or region. Non-U.S. equity and corporate debt may also be affected by business uncertainties. Many financial markets are not as developed or efficient as those in the United States. As a result, liquidity may be reduced and price volatility may be higher in such markets. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may also differ and there may be less publicly available information in respect of non-U.S. companies.

Investments in securities of non-U.S. issuers (including non-U.S. governments) and securities denominated or whose prices are quoted in non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including blockage, devaluation, and non-exchangeability). These investments also pose a range of other potential risks that could include expropriation, confiscatory taxation, limitations on the removal of funds or other assets, political or social instability, illiquidity, price volatility, and market manipulation. In addition, some of the securities may be subject to brokerage taxes levied by governments. This has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income realized, or gross sale or disposition proceeds received, by Spartus from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by the Funds will reduce net income or return from such investments.

Furthermore, less information may be available regarding securities of non-U.S. issuers and non-U.S. issuers may not be subject to accounting, auditing, and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the U.S. There is generally less government supervision and regulation of exchanges, brokers, and issuers than there is in the U.S. Spartus might have greater difficulty taking appropriate legal action in non-U.S. courts or choose not to take action. Non-U.S. markets also have different clearance and settlement procedures that in some markets have at times failed to keep pace with the volume of transactions. This creates substantial delays and settlement failures that could adversely affect Spartus' performance. While Spartus will take these factors into consideration in making investment decisions for the Funds, no assurance can be given that Spartus will be able to fully avoid these risks and Spartus will not seek to avoid these risks to the extent that they are inherent in a Benchmark the return of which Spartus is seeking to approximate.

Highly Volatile Instruments. The prices of derivative instruments are highly volatile. Price movements of derivatives transactions in which Spartus engages are influenced by, among other things, changes in equity prices, currency exchange rates, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Spartus is also subject to the risk of the failure of any exchange on which its positions trade along with the failure of any Spartus clearinghouses.

The foregoing is a mere summary of the potential risks inherent in an investment with Spartus. Investors are urged to consult with their own advisors in evaluating whether an allocation to Spartus is appropriate.

Item 9: DISCIPLINARY INFORMATION

Neither Spartus nor any of its principals have been the subject of any material legal proceeding required to be disclosed in response to this item.

Item 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Spartus nor any of its principals are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, neither Spartus nor any of its principals are affiliated with any broker-dealer or bank.

Item 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

A. Brief Description of Code of Ethics

Spartus has adopted a Code of Ethics and related compliance policies pursuant to Rule 204A-1. This Code of Ethics is available to any client or prospective client upon request. For more details please see the Investor Documents.

Broadly speaking, Spartus works diligently to foster a culture of compliance. While this is not merely adherence to rules, rules nonetheless form the backbone of that culture.

In this vein, the Spartus Code of Ethics addresses broad areas of activity. This includes conflicts of interest, confidentiality, personal trading, insider trading, outside work, political involvement, publicity, marketing and non-solicitation, improper use of Spartus property, and relationships with industry authorities, government officials, and the press. Each Spartus employee has read all Spartus policy manuals, including the Code of Ethics, and has signed an affirmation attesting to such. Further, Spartus maintains a policy of open discussion of any ethical matters and encourages all personnel to immediately raise ethical concerns, should they arise.

B. Recommendation or Purchase and Sale of Securities in Which Spartus or Related Persons Have a Material Financial Interest

Spartus and Spartus related persons do not engage in any of the following: (a) recommend to clients the purchase or sale of securities in which Spartus or the related person has an interest; or (b) purchase or sell for a client account securities in which Spartus or the related person has an interest.

C. Spartus and Related Person Investment in Securities Recommended to Clients or Bought or Sold for Client Accounts

Spartus or related persons, including Spartus personnel, may co-invest with investors in the Funds. In such cases, the investment objectives of both Spartus/related persons and investors are believed to be in alignment; i.e., there are no conflicts of interest.

D. Timing of Investment by Spartus or Related Persons in Securities Recommended to Clients or Bought or Sold for Client Accounts

Spartus or related persons, including Spartus personnel, may co-invest with investors in the Funds. In such cases, the investment timing of both Spartus/related persons and investors are simultaneous; i.e., there are no conflicts of interest, no issues of “front running,” nor any similar type of concern.

Item 12: BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers and Determining the Reasonableness of Their Compensation

Spartus seeks best execution in selecting or recommending brokers and dealers for Fund portfolio purposes. In doing so, Spartus allocates transactions to brokers and dealers, and determines the reasonableness of their commissions, taking into account various factors. These factors include commission rates, price, reliability, financial responsibility, strength of the broker or dealer, ability of the broker or dealer to efficiently execute transactions, and the broker's or dealer's facilities.

1. Research and Other Soft Dollar Benefits.

Spartus does not presently receive research, other products, or services (other than execution) from a broker-dealer or third parties in connection with client securities transactions, a practice known as "soft dollars." However, Spartus reserves the right to receive such "soft dollars" in the future, in which case it will disclose doing so.

2. Brokerage for Client Referrals

Spartus does not consider client referrals in selecting or recommending broker-dealers. Rather, Spartus seeks best execution based on the factors listed above.

3. Directed Brokerage

Spartus does not routinely recommend, request, nor require that a client direct Spartus to execute transactions through a specified broker-dealer. Spartus also does not permit a client to direct such brokerage.

B. Aggregation of Purchases or Sales of Securities

Spartus does not anticipate that the aggregation of purchases or sales of securities might result in an imbalance among investors due to the structure of the Funds. In the event such an imbalance arose, Spartus would address it by allocating the benefits/expenses pro rata among clients.

Item 13: REVIEW OF ACCOUNTS

A. Periodic Review

All client accounts are reviewed regularly by the Spartus CIO, Senior Portfolio Manager, and members of the Risk Committee. On a daily basis, the key economic terms of a Fund's transactions are affirmed with counterparties/brokers by the CFO and transactions are reviewed by and approved by the Portfolio Managers. The Portfolio Managers and the Head of Risk receive daily profit and loss reports with respect to the Funds' investment positions as of the close of the preceding business day. The CFO prepares and reviews daily reports summarizing the amount of collateral posted by the Funds and distributes a summary liquidity report to the Portfolio Managers and the Head of Risk on a daily basis. The Head of Risk conducts daily analyses of the Spartus risk regime, including various scenario and stress testing. On this basis, the Head of Risk issues directions on risk-related adjustments.

B. Non-Periodic Review

From time to time, when circumstances require, Spartus will initiate reviews similar to those described above but which are not periodic. This is particularly so when market volatility is high or Spartus risk analyses indicate that Spartus strategies are likely to be greatly affected.

C. Reports to Clients

Investors in the Funds receive a monthly valuation statement, annual audited financial statements, and various periodic newsletters. Investors requiring tax reporting receive a Schedule K-1 annually.

Clients with individually managed accounts that are not audited generally receive a confirmation of each transaction from the custodian. Managed account clients also generally receive monthly statements of value and, in some cases, written correspondence from Spartus providing a qualitative update on the account.

Item 14: CLIENT REFERRALS AND OTHER COMPENSATION

Spartus does not receive economic benefits, directly or indirectly, from non-clients for providing investment advice or other advisory services.

Neither Spartus nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals.

Item 15: CUSTODY

Spartus is deemed to have custody of the assets of certain clients under Rule 206(4)-2 of the Advisers Act. Spartus is similarly deemed to have custody of the funds and assets of the Funds because the general partner of the Funds is a Spartus related person. Each fiscal year, the Funds engage a public accounting firm that is registered with the Public Company Accounting Oversight Board to conduct an audit of the Funds. The results of these audits are delivered to clients and clients are urged to compare the accounts they receive from the public accounting firm to those the clients receive from Spartus.

Item 16: INVESTMENT DISCRETION

Spartus generally has discretionary authority over its Fund clients and managed accounts based on contractual authority contained in the applicable Fund limited partnership agreements, investment management agreements, or trading advisory agreement. Any limitations to Spartus' discretionary authority are governed by the same documents. For more information please see the Investor Documents.

Item 17: VOTING CLIENT SECURITIES

The Funds have delegated to Spartus the power to vote the securities owned by such Funds. In accordance with Advisers Act Rule 206(4)-6, Spartus has adopted a proxy voting policy. Spartus exercises the voting rights of the Funds in a manner that is in the best interests of the Funds. Spartus clients may not direct how proxies are voted but they may obtain information from Spartus about how proxy votes were cast. Clients may also obtain a copy of Spartus' voting policies and procedures upon request.

Item 18: FINANCIAL INFORMATION

Spartus is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time.