

Lutetium Capital, LLC
Metro Center
One Station Place
Stamford, Connecticut 06902
(203) 253-7436

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Form ADV, Part 2A (the “Brochure”) provides information about the qualifications and business practices of Lutetium Capital, LLC and its affiliates (collectively “Lutetium” or “Adviser”). For more information on the disclosure requirements required for Part 2A see the “General Instructions for Part 2 of Form ADV” by visiting www.sec.gov/rules/final/2010/ia3060.pdf. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Paul S. Greenberg (203-253-7436 / lutetiumcapital@gmail.com). Additional information about Lutetium is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Lutetium is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Item 2: Material Changes

Lutetium filed its initial application to register as an investment adviser with the SEC on December 17, 2012. Accordingly, pursuant to disclosure rules under the Advisers Act, this is the first Brochure compiled by Lutetium to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and the background of its advisory personnel. All recipients of this Brochure are encouraged to read it carefully in its entirety.

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

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Item 4: Advisory Business

Lutetium is an investment advisory firm organized as a limited liability company under the laws of the State of Delaware. Paul S. Greenberg, Chief Compliance Officer and Managing Member of Lutetium founded Lutetium in September, 2012, and intends to commence advisory services once its registration is declared effective. Lutetium currently has one employee, Mr. Greenberg, but intends to employ others upon commencement of operations.

Currently, the Adviser does not provide investment advisory services to any clients. However, the Adviser anticipates providing investment advisory services to at least one separately managed account client once its registration is declared effective. Lutetium intends to sponsor and manage private funds in the future.

The Adviser will provide investment advisory services on a discretionary basis to managed account clients. In providing such services to its clients, the Adviser formulates its investment objective, directs and manages the investment and reinvestment of each client's assets and provides reports to clients. The Adviser manages the assets of each client in accordance with each client's individual investment objective.

Item 5: Fees and Compensation

Each separately managed account pays Lutetium an annual management fee (the "Management Fee"). The Management Fee is payable quarterly in advance based upon the assets under management in the account as of the last day of the preceding quarter, in each case in accordance with the Investment

Management Agreement. Lutetium and its affiliates reserve the right to waive or reduce Management Fees for certain investors, including employees, a limited number of strategic partners, advisors and consultants, and others as may be determined in Lutetium's sole discretion.

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

Lutetium will not initially charge a performance based fee to any client account, and will not manage any private funds. However, may do so in the future.

Part 7: Types of Clients

Lutetium provides investment advisory services on a discretionary basis to separately managed account clients. Separately managed account clients may include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, banks, trusts, estates or charitable organizations, and corporate or business entities.

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

Methods of Analysis and Investment Strategies

Lutetium is a credit focused investment manager that employs an absolute value investment strategy, searching for mispriced securities to achieve long term capital appreciation while maintaining moderate risk levels. Lutetium uses various methods of formulating our investment theses including, but not limited to, fundamental value analysis. Lutetium assesses the various investment opportunities available, focusing on the long side on asset-rich and franchise sectors including forest products, airlines, chemicals, building products, electrical utilities, oil and gas, cable, broadcasting, metals and mining. On the short side, Lutetium generally focuses on asset-light sectors such as retail, education, and business services. The types of investments Lutetium makes primarily include loans, high yield bonds, distressed debt and trade claims, but may also include other types of securities, including, but not limited to, equities, speculative investments, investment grade corporate debt, US treasuries, sovereign bonds, options, derivatives, currencies and cash equivalents. Lutetium's strategy is not dependent on leverage; however, Lutetium may employ leverage from time to time.

Summary of Certain Risk Factors

Investing in securities and other instruments involves risk of loss that clients should be prepared to bear. The management style offered by Lutetium is not intended as a complete investment program, and may not be suitable for all investors. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of such an investment. No guarantee or representation is made that any client account will achieve its investment objectives.

The following is a brief summary of certain of the more significant risks associated with Lutetium's investment strategies.

General – Lutetium's investment strategies are speculative and entail a significant degree of risk and, therefore, should be undertaken only by investors capable of evaluating the merits and risks of the investment strategies and bearing the risks they represent, including the potential loss of their entire investment. There can be no assurance that Lutetium will be able to achieve the investment objectives or that significant losses will not be incurred.

Market Risk – Lutetium invests in and actively trades securities and other financial instruments or assets

(including derivative instruments) utilizing strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the debt and equity markets. The prices of the financial instruments in which Lutetium invests can be highly volatile. Price movements of equity, debt and other securities, instruments and assets in which Lutetium is invested are influenced by, among other things, interest rates, foreign exchange rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and national and international political and economic events and policies. Moreover, war, political or economic crisis, or other events may occur which can be highly disruptive to the markets, regardless of the strategies being employed. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments and derivative instruments. Such intervention often is intended to directly 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. Sustained cyclical market declines and periods of unusual market volatility make it more difficult to produce positive trading results, and there can be no assurance that Lutetium's strategies will be successful in such markets.

Lutetium may also incur major losses in the event of disrupted and/or illiquid markets and other extraordinary events in which historical pricing relationships (on which Lutetium may base a number of its trading positions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions caused by unexpected political, military and terrorist events or government intervention in the markets may from time to time cause dramatic losses for accounts managed by Lutetium, and such events can result in otherwise historically low risk strategies performing with unprecedented volatility and risk.

Instrument and Strategy Risk – Lutetium's investment strategies also face certain risks associated with the types of instruments in which they invest.

Debt and Credit Related Instruments – Lutetium may make long and short investments in debt securities and other credit related instruments without limitation. Debt and credit related instruments are subject to interest rate risk, credit risk, risk of default, prepayment risk and other risks. Lower rated and unrated securities in which a client may invest are subject to volatility, have large uncertainties or major risk exposures to adverse conditions, and are considered to be predominantly speculative. Distressed securities involve a substantial degree of risk, including high volatility, uncertainty of payment, risks and costs of litigation, corporate workouts and reorganizations. Investments in bankrupt and insolvent companies generally are illiquid and involve additional risks and costs.

Special Situations and Event Driven Investments – Lutetium may invest in companies involved in or undergoing workouts, liquidations, spinoffs, reorganizations, bankruptcies or other changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution to a client of cash or a new security, the value of which will be less than the purchase price of the security in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, a client may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a client may invest, there is a potential risk of loss by a client of its entire investment in such companies.

Bank Debt – Lutetium's investment program may include direct or indirect investments in bank debt. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so called lender liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to

collateral securing the obligations; (iv) limitations on the ability of a client to directly enforce its rights with respect to participations; and (v) possible equitable subordination. In analyzing bank debt transactions, Lutetium compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks are borne by each client.

Trade Claims and Similar Claims – Lutetium may invest in unsecured claims held by entities owed for goods, services or other losses against companies that have filed for bankruptcy protection (such claims are known as “trade claims”). Because of the absence of a regulated market for trade claims and the decreased transparency of pricing information with respect to trade claims (and the resulting difficulties in determining market values for them) as well as the risk that such claims may be disallowed or reduced by the bankruptcy court or treated differently from other forms of debt under the debtor’s plan of reorganization approved by the bankruptcy court, a client may suffer significant losses.

Structured Credit Products – Lutetium may invest in structured credit products. These products include, but are not limited to: collateralized debt obligations (“CDO”) and collateralized loan obligations (“CLO”); mortgage backed securities or collateralized mortgage obligations (“MBS” or “CMO”); other asset backed securities (“ABS”), such as automobile and credit card backed securities; and structured investment vehicles (“SIV”). Structured credit products generally are collateralized investment products where repayment is derived from the performance of the underlying assets or other reference assets, or by third parties that serve to enhance or support the structure. Given the complexity of many structured credit products, including the composition and credit characteristics of the underlying collateral, credit risk associated with these products is difficult to measure. Therefore, these products may be subject to significant credit risk, including risk of default or downgrade. In addition, clients will have limited remedies available upon the default of most structured credit products. Moreover, due to a lack of an active secondary market for structured credit products, they generally are illiquid and difficult to value. Structured credit products are also subject to correlation risk, interest rate risk, market risk and operational risk, which have generated significant losses for some structured credit products during the recent credit market turmoil. Structured credit products purchased by clients may be unrated or noninvestment grade. Interests in unrated and noninvestment grade structured credit products are subject to a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative.

Derivatives – Lutetium may use derivatives, including futures, options, swaps and forward contracts, in its investment program for speculative and hedging purposes. The use of such instruments entails various risks, including pricing, legal, counterparty, operational, liquidity and leverage risks. Derivative instruments that may be purchased or sold by a client include privately negotiated principal to principal transactions in which performance is the responsibility of the individual counterparty and not an organized exchange or clearinghouse. The risk of nonperformance by the counterparty on such transactions may be greater and the ease with which a client can replace such transactions with another counterparty may be less than in the case of exchange traded instruments. Other risks include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Such transactions are also not subject to the same type of government regulation as exchange - traded instruments, and therefore many of the protections afforded to participants in a more regulated environment may not be available.

Short Selling – Lutetium’s investment strategy involves entering into short sale positions, both directly and indirectly through the use of credit default swaps, options and other derivative instruments. In certain cases, a short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to a client of buying that security to

cover the short position. If a client is not able to maintain the ability to borrow securities sold short, it can 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. Additionally, certain market participants could accumulate such securities in a “short squeeze,” which would reduce the available supply, and thus increase the cost, of such securities. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Equity Instruments – Lutetium may invest client assets in equity securities, including preferred or common stocks, and there is no limitation on the type, size or operating experience of the issuers in which a client may invest. A number of Lutetium’s strategies are based on attempting to predict the future price level of different equity or equity related securities. Numerous interrelated and difficult to quantify economic factors, as well as market sentiment, subjective and extraneous political and geopolitical factors, influence the prices of equities. There can be no assurance that Lutetium will be able to predict future price levels correctly. While diversification among issuers may mitigate these risks, Lutetium is not required to diversify its investments in equity securities, and investors should expect fluctuations based on market conditions in the value of equity securities held by the client.

Illiquid Investments – Certain of the investments made by Lutetium may be or become illiquid and involve a high degree of business and financial risk that could result in substantial losses. Because of the absence of active or regulated trading markets for these illiquid investments, and because of the difficulties in determining market values accurately, it may take Lutetium longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of illiquid investments could be less than those originally paid by a client. Further, companies whose securities are not publicly listed may not be subject to public disclosure and other investor protection requirements applicable to issuers of publicly traded securities.

Non-U.S. Investments – Lutetium may invest in the equity, debt or other securities and instruments of issuers located outside the United States. These securities and instruments may be affected by political, social and economic uncertainty affecting a country or geographic region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different from that of the United States, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information regarding issuers in such locations. Income received by a client from sources within some countries may be reduced by withholding taxes imposed by such countries.

Leverage – Lutetium may borrow funds and enter into agreements in connection therewith and may also leverage investment returns with options, short sales, swaps, forwards, credit derivatives and other derivative instruments. The amount of borrowings which each client may have outstanding at any time may be substantial in relation to its capital. Any event which adversely affects the value of an investment by a client would be magnified to the extent that a client is leveraged. The cumulative effect of the use of leverage by a client in a market that moves adversely to a client’s investments could result in a substantial loss to a client which would be greater than if the client were not leveraged. The use of leverage may create interest expenses for the client, which can exceed the investment return from the borrowed funds.

Turnover and Transactions Costs – Lutetium actively manages each client’s portfolio. The turnover rate of a client’s investment portfolio may be significant, potentially involving substantial brokerage commissions and fees and other transactions costs. In particular, many investments, including those that are not readily marketable, may involve higher bid ask spreads than investments that are exchange traded.

Counterparty Risk – Clients are also exposed to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem, thus causing the client to suffer a loss. Such “counterparty risk” is accentuated where client accounts have concentrated transactions with a single counterparty or small group of counterparties. The lack of a complete and “foolproof” way to evaluate the financial capabilities of the clients’ counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by clients.

Risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, such that a default by one institution causes a series of defaults by other institutions. This is sometimes referred to as systemic risk. Systemic risk may adversely affect financial intermediaries, such as clearinghouses, banks, securities firms and exchanges.

Legal, Regulatory and Tax Risk – Legal, regulatory and tax developments that may adversely affect clients could occur at any time. Securities and futures markets are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions is an evolving area of law and is subject to modification by government and judicial actions.

There has been an increase in government, as well as self-regulatory, scrutiny of the alternative investment industry in general, and Lutetium’s activities may be subject to new or additional regulatory constraints in the future.

Part 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s or investor’s evaluation of the adviser or the integrity of the adviser’s management. Neither Lutetium nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

Part 10: Other Financial Industry Activities and Affiliations

This section is not applicable. However, Lutetium intends to sponsor private funds in the future.

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

Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Lutetium has adopted a written Code of Ethics (the “Code”) predicated on the principle that the Adviser owes a fiduciary duty to its clients. The Code is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners or employees of Lutetium (the “Employees”), each Employee’s spouse, minor children and other family members living in his or her household (the “Related Persons”), as well as each other individual designated in writing by a compliance officer as being subject to all or a portion of the compliance procedures or policies adopted by the Adviser (collectively the “Covered Persons”). The Adviser requires its Employees to act in its clients’ best

interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

The Adviser requires pre-clearance before purchasing an IPO or limited offering (i.e., private placement); requires periodic reporting of Covered Persons' personal securities transactions and all holdings; and requires prompt internal reporting of Code violations. Lutetium endeavors to maintain current and accurate records of all personal securities accounts of its Covered Persons in an effort to monitor all such activity. A copy of Lutetium's Code is available upon written request to: Paul S. Greenberg, Chief Compliance Officer, Lutetium Capital, LLC, Metro Center, One Station Place, Stamford, CT 06902 or by calling (203) 253-7436.

Certain transactions in which Lutetium engages may require, for either business or legal reasons, that no Covered Person trade in the subject securities for specified time periods. Such securities will appear on a list (the "Restricted List") that will be circulated to all Covered Persons. No Covered Person may engage in any sort of trading activity with respect to a security or a derivative thereof on the Restricted List without obtaining prior written approval from the Chief Compliance Officer.

Part 12: Brokerage Practices

General

Lutetium has sole discretion to determine, subject to each client's investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries to use in effecting transactions, and the commission rates or mark-ups/mark-downs to be paid for such transactions. A more detailed discussion of how Lutetium makes use of this authority follows.

Lutetium is authorized to determine the broker or dealer to be used for each securities transaction. In selecting brokers or dealers to effect portfolio transactions, Lutetium will seek "best execution" taking into account such factors as Lutetium determines to be relevant, which may include price (including the applicable brokerage commission or mark-up or mark-down), size of the order, difficulty of execution, the operational facilities and reliability of the firm involved, the firm's promptness of execution, adequacy of the firm's trading infrastructure, technology and capital, the quality of service rendered to Lutetium in other transactions, confidentiality considerations, the firm's financial stability and reputation, special execution capabilities, access to underwritten offerings, secondary markets and over-the-counter investment opportunities, the availability of bonds or stocks to borrow for short trades, the firm's ability to accommodate any special execution or order handling requirements that may surround a particular transaction, any research or brokerage products or services provided by such brokers or dealers, and such other factors as Lutetium deems appropriate. Lutetium need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread available. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by a broker-dealer may be less than the suggested allocations, but can (and often does) exceed the suggestions because transactions are allocated on the basis of all the considerations described above.

Client securities transactions can be expected to generate a substantial amount of brokerage commissions and other compensation, all of which the client, not Lutetium, is obligated to pay. Lutetium has sole discretion in deciding which brokers and dealers each client uses and in negotiating the rates of compensation each client pays. In addition to using brokers as "agents" and paying commissions, each client may buy or sell securities directly from or to dealers acting as principals at prices that include mark-ups or mark-downs, and may buy securities from underwriters or dealers in public offerings at prices that

include compensation to the underwriters or dealers. In addition, from time to time, Lutetium may execute over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker-dealer used by each client may acquire or dispose of a security through a market maker (a practice known as “interpositioning”). The transaction may thus be subject to both a commission and a mark-up or mark-down. Lutetium believes that the use of a broker-dealer in such instances can provide anonymity in connection with a transaction. In addition, a broker-dealer may, in certain cases, have greater expertise or ability in accessing the markets and executing a transaction.

Soft Dollars

From time to time, Lutetium may cause a client to pay a broker or dealer commissions (or mark-ups or mark-downs with respect to certain types of riskless principal transactions) at a higher rate than that which another broker or dealer might have charged for effecting the same transaction in recognition of the value of the brokerage and research services provided by the broker or dealer. The use of any commissions or “soft dollars” to pay for research or brokerage products or services will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Products or services that may be furnished or paid for by brokers or dealers may include, without limitation, research products and services, such as research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, performance measurement data, consultations, economic and market recommendations, general reports, quotation services, as well as other brokerage products and services, such as special execution capabilities, clearance, settlement, net pricing, online pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, financial strength and stability, efficiency of execution and error resolution, availability of stocks to borrow for short sales, custody, recordkeeping and similar services.

Research obtained by the use of commissions arising from portfolio transactions may be used by Lutetium or its affiliates in its other investment activities and to service other clients, and therefore the clients that generated the commissions used to obtain the research may not, in any particular instance, be the direct or indirect beneficiary of the research provided. Under Section 28(e), research or brokerage services obtained with soft dollars generated by a client may be used by Lutetium to service other clients. Where a product or service obtained with soft dollars provides assistance both within the safe harbor created by Section 28(e) of the Exchange Act and outside of the safe harbor, Lutetium will make a reasonable allocation of the cost that may be paid for with soft dollars and pay the remaining portion using Lutetium’s own hard dollars. The portion of the cost of such products and services that Lutetium allocates to be paid for with soft dollars generated by a client will be borne indirectly by the client, rather than directly by Lutetium. The Management Fee will not be reduced as a result of the use of soft dollars. Lutetium may derive substantial direct or indirect benefits from the use of soft dollars, as they may not otherwise have to produce, develop or acquire such research, products or services. Accordingly, the relationships with brokerage firms that provide soft dollar services may influence the judgment of Lutetium in allocating brokerage business and create a conflict of interest in using the services of those brokers or dealers to execute brokerage transactions.

Aggregation of Trades

Lutetium will typically aggregate sale and purchase orders of securities on behalf of clients if Lutetium believes that such aggregation is reasonably likely to result in an overall benefit to the clients based on an evaluation of factors in Lutetium’s sole discretion. Each client that participates in an aggregated order generally will participate at the average price for all of Lutetium’s transactions in that investment on a given business day (provided, that this policy is subject to the sole discretion of Lutetium, and with respect to certain instruments such as option contracts, determining the average price may not be possible), with transaction costs shared pro rata based on each client’s participation in the transaction. Lutetium will

receive no additional compensation of any kind as a result of an aggregated order. For certain over-the-counter transactions (e.g., bank debt, derivatives), for administrative and operational reasons, Lutetium may execute a transaction in a client's name and enter into a participation agreement granting an interest in the relevant investment to other clients or vice versa, rather than having each participant purchase its allocable share directly.

Allocation of Investment Opportunities

Lutetium and its affiliates and their respective members, directors, officers and employees ("Affiliated Parties") may have conflicts of interest in allocating investments among, and in effecting transactions and taking actions for, clients as a result of having differing economic interests with respect to different clients. In order to mitigate these conflicts, Lutetium has adopted policies and procedures pursuant to which investment opportunities are required to be allocated by Lutetium and its Affiliated Parties on a fair and equitable basis among all clients for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations (a) whether the risk-return profile of the proposed investment is consistent with the client's objectives, which objectives may be considered (i) solely in light of the specific investment under consideration or (ii) in the context of the portfolio's overall holdings and available capital; (b) the potential for the proposed investment to create an imbalance in the portfolio of the client; (c) liquidity requirements of each client; (d) potential tax consequences; (e) legal or regulatory restrictions; (f) the desire to adjust the risk profile of one or more clients; (g) there being clients with a substantial amount of investable cash or a substantial reduction in available cash; and (h) whether such allocation would create de minimis exposure with respect to such clients. Such considerations may result in allocations among clients on other than a pari passu basis. Notwithstanding the foregoing, the Affiliated Parties may not be under any obligation to share any investment opportunity, idea or strategy with a particular client. It may not always be possible or consistent with the investment objectives of each client for the same investment positions to be taken or liquidated at the same time or at the same price.

Execution Risk; Trade Errors

Lutetium's trading activity involves multiple instruments, multiple broker-dealers and counterparties and multiple strategies. Further, the execution of the trading and investment strategies employed by Lutetium may require a high volume of trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives, and the execution of trades involving less common or novel instruments. Lutetium has trained the trading and operational staff devoted to executing, settling and clearing such trades. However, in light of the foregoing, some slippage, trade errors and miscommunications with broker-dealers and counterparties may occur and result in losses. Lutetium endeavors to detect trade errors quickly and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a counterparty, such as a broker-dealer, Lutetium will attempt to recover any loss associated with such error from such counterparty. Any costs or losses resulting from trade errors or order errors may be borne by a client unless such errors are due to actions by Lutetium or its affiliates for which Lutetium or its affiliates would not be entitled to indemnification. Given the large volume of transactions executed by Lutetium, investors should assume that trading errors (and similar errors) will occur and that clients will be responsible for any resulting losses.

Part 13: Review of Accounts

Lutetium performs various daily, monthly and quarterly reviews of its clients' portfolios. These reviews will be conducted by various groups within Lutetium, including: (i) the Managing Member; (ii) future investment committee members, traders and research analysts who monitor and review positions and risk; (iii) certain back office personnel who are responsible for valuation, confirmations, settlements, and position reconciliation; and

(iv) certain risk management personnel.

Separately managed account clients receive quarterly reports from the Adviser.

Part 14: Client Referrals and Other Compensation

Lutetium does not currently compensate any person for referrals of clients. However, Lutetium may enter into such arrangements in the future.

Part 15: Custody

For separately managed accounts, all assets are held with a qualified custodian. The account custodians send statements directly to the managed account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by Lutetium.

Part 16: Investment Discretion

Lutetium has sole discretion to determine, subject to each client's investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries to use in effecting transactions, and the commission rates or mark-ups/mark-downs to be paid for such transactions.

Part 17: Voting Client Securities

Lutetium has adopted written proxy voting policies and procedures intended to satisfy the requirements of Rule 206(4)-6 under the Advisers Act. Lutetium will vote proxies in the best interest of the applicable client and in accordance with its proxy voting policy. The proxy voting policy provides, among other things, that in general, if there is a conflict of interest or possible conflict of interest between the applicable client, on the one hand, and Lutetium, on the other, the proxy will be voted in the best interest of the applicable client. If Lutetium determines that any such conflict of interest exists or may be perceived to exist when voting a proxy, Lutetium may resolve such conflict by: (i) delegating the voting decision for such proxy proposal to an independent third party; (ii) delegating the voting decision to an independent committee of partners, members, directors or other representatives of the clients, as applicable; (iii) informing clients of the conflict of interest and obtaining majority consent to vote the proxy as recommended by Lutetium; or (iv) obtaining approval of the decision from Lutetium's Chief Compliance Officer. In general, Lutetium's proxy voting policy is to vote in accordance with the recommendation of the company's management, unless, in Lutetium's opinion, such recommendation is not in the best interests of the investing clients. Clients do not have the right to direct Lutetium on how to vote on a particular matter.

Due to the nature of Lutetium's advisory services, and more specifically because Lutetium intends to invest in equities on an infrequent basis, its strategy is not dependent upon the outcome of proxy contests. Lutetium has determined that the costs of voting proxies will often outweigh the potential benefits to its Clients. Furthermore, clients may invest in non-U.S. securities. The laws and regulations governing shareholder rights and voting procedures differ around the world, and in certain countries, the requirements, restrictions or costs involved with voting may outweigh any benefit that the clients would receive by voting the proxies involved. In such cases, Lutetium may decide it is in the best interests of the clients not to vote the applicable proxies. Therefore, Lutetium will generally refrain from voting proxies on behalf of its Clients. Lutetium has the authority, and reserves the right, to vote proxies in the future should a situation arise in which the benefits of

voting the proxy outweigh the costs of participation.

Clients may obtain a copy of Lutetium's Proxy Voting Policies and Procedures and information on how securities have been voted upon by submitting a written request directed to: Paul S. Greenberg, Chief Compliance Officer, Lutetium Capital, LLC, Metro Center, One Station Place, Stamford, CT 06902 or by calling (203) 253-7436.

Item 18: Financial Information

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