



## Firm Brochure and Brochure Supplement

March 2013



### Part 2A of Form ADV

Chichester Capital Management LP  
711 Fifth Avenue, 16th Floor  
New York, New York 10022  
Tel. +1 646.274.3983  
Fax +1 646.274.3993  
[marketing@chichestercap.com](mailto:marketing@chichestercap.com)  
[www.chichestercap.com](http://www.chichestercap.com)

This brochure provides information about the qualifications and business practices of Chichester Capital Management LP. If you have any questions about the contents of this brochure, please contact us by telephone at +1 646 274 3983 or by e-mail at [marketing@chichestercap.com](mailto:marketing@chichestercap.com).

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.

Additional information about Chichester Capital Management LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## SUMMARY OF MATERIAL CHANGES

## Item I: Advisory Business

As of February 28, 2013, we had \$332.3 million in client regulatory assets under management on a discretionary basis. As of March 28, 2012, we had \$206 million in client regulatory assets under management on a discretionary basis.

## Item VII: Other Financial Industry Activities and Affiliations

We registered as a commodity pool operator with the U.S. Commodity Futures Trading Commission and became a member of the National Futures Association at the end of 2012.

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## I. ADVISORY BUSINESS

Chichester Capital Management LP ("Chichester Capital") provides discretionary investment management services to U.S. and non-U.S. institutional clients, principally private investment funds and separately managed accounts. Chichester Capital was founded in July 2009 by Julian Barrowcliffe and Uday Narang, its managing partners and portfolio managers, to independently manage the discretionary commodities trading strategies they had managed from July 2004 through June 2009 as part of the Proxima Alfa platform and its predecessor the VegaPlus platform. Mr. Barrowcliffe and Mr. Narang, the principal owners of Chichester Capital, together have over forty-five years of commodities trading experience and co-manage the firm's investment portfolios.

Chichester Capital seeks superior total returns from investments in global commodity markets that are generally uncorrelated with commodity prices and equity and debt market performance over the intermediate to long term by engaging primarily in discretionary relative value commodities trading and opportunistically in discretionary directional commodities trading. We concentrate our trading program on crude oil and refined products and base, precious and platinum group metals. We may also trade natural gas and power and selected soft and agricultural commodities. We take asymmetrical long and short positions in a broad range of commodities markets principally using listed futures and options on futures, forwards, look-a-like swaps that settle through a recognized exchange or market such as NYMEX Clearport Contracts or comparable swaps, and may also use over-the-counter swaps, options, equities and currencies. We limit our advisory services to discretionary commodities trading in these instruments.

The investment strategy of each private fund that we manage is set out in the fund's prospectus and that of each managed account in the account's investment management agreement. The mandate for each managed account is negotiated with the client. Certain private funds that we advise may invest in another private fund that we advise, with the applicable fees as set forth in the offering documents of the relevant private funds.

Each private fund has a minimum investment requirement as set forth in its offering documents. The minimum fund investment is generally \$1 million. Investors are also required to meet minimum eligibility standards. There is a minimum notional investment requirement for managed accounts of \$25 million, which we may waive in our discretion.

As of February 28, 2013, we had \$332.3 million in client regulatory assets under management on a discretionary basis. We do not manage any client assets on a non-discretionary basis and do not participate in wrap fee programs.

## II. FEES AND COMPENSATION

Chichester Capital generally charges a management fee of 2% and performance-based compensation of 20% of net profits (realized and unrealized) above the applicable "high-water mark." Management fees and performance-based compensation are determined on a case-by-case basis. Management fees are generally payable monthly in arrears and performance-based compensation is generally payable annually in arrears. Fees charged in arrears will be prorated for any partial period. Performance-based compensation is charged in conformity with Rule 205-3 under the Investment Advisers Act of 1940, as applicable. Fees may be negotiable or waivable or may be rebated depending upon a variety of factors including, among others, the investment strategy, type of advisory service offered, amount of assets under management, or the overall relationship with the client. Fees charged with respect to an investment in a private fund or managed account are set forth in a private fund's offering documents or in a managed account's advisory agreement. Clients may terminate advisory services without penalty generally upon prior written notice, as set forth in a private fund's offering documents or in a managed account's advisory agreement.

Management fees and performance-based compensation generally are deducted from clients' assets in the case of a private fund or managed account. In the case of certain managed accounts, the client may be invoiced for the relevant fees prior to their deduction from the assets of the managed account. The offering documents of a private fund or the advisory agreement for a managed account specify how fees are to be calculated and paid.

Investors in private funds and managed accounts bear such other fees and expenses as are set forth in the relevant fund offering documents or managed account advisory agreement. These include, without limitation, legal fees, accounting fees and out-of-pocket expenses incurred in connection with offering a private fund. These also include, without limitation, certain operating costs and expenses incurred in connection with the operation of a private fund or managed account such as brokerage costs, administrative and custody fees, insurance premiums, interest, registration fees, research costs and other expenses due to regulatory, supervisory or fiscal authorities in various jurisdictions. Please refer to Section IX—Brokerage Practices.

As noted above, fees are payable in arrears. We do not receive any payments of fees in advance.

None of our employees receive any compensation for introducing clients to the firm or to the Private Funds that we manage.

### III. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Chichester Capital receives performance-based compensation based on a share of capital gains or appreciation of the assets of a client. All private funds or managed accounts that Chichester Capital advises pay a management fee and a performance fee. No client pays only a management fee.

There is a potential conflict of interest between the duty of Chichester Capital to maximize profits from trading and the possible desire of Chichester Capital to avoid taking risks which might reduce the value of a client's assets and, consequently, reduce Chichester Capital's management fee. On the other hand, the performance fee may create an incentive for Chichester Capital to make investments that are more speculative than would be the case without such performance fee. Because the performance fee is calculated on a basis that includes unrealized appreciation as well as realized appreciation, the performance fee may be greater than if it were based solely on realized gains.

In addition, Chichester Capital may have a conflict of interest in rendering advice to a client because the financial benefit from managing some other client's account may be greater, which may provide an incentive to favor such other account.

### IV. TYPES OF CLIENTS

Chichester Capital provides discretionary investment management services to U.S. and non-U.S. institutional clients, principally private investment funds and separately managed accounts. Each private fund has a minimum investment requirement as set forth in its offering documents. The minimum fund investment is generally \$1 million. Investors are also required to meet minimum eligibility standards. There is a minimum notional investment requirement for managed accounts of \$25 million, which we may waive in our discretion.

### V. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Chichester Capital seek superior total returns generally uncorrelated with commodity prices and equity and debt markets over the intermediate to long term by engaging primarily in relative value commodities trading and opportunistically in directional trading. We constantly analyze a broad range of raw physical commodities data; pricing relationships between commodities and within term structure, geography, grade and volatility; and economic and strategy reports from various investment houses and

independent economic consultants. We also maintain a steady dialogue with our contacts at physical commodities trading houses.

We attempt to exploit perceived mispricing opportunities in forward curves and in intra-market and inter-market basis relationships in global commodity markets. We engage, among other things, in volatility trading, geographical arbitrage, grade arbitrage and term structure trading, and concentrate our trading program on crude oil and refined products and base, precious and platinum group metals. We may also trade natural gas and power and selected soft and agricultural commodities. We will also opportunistically engage in directional trading and may engage in limited commodity-related currency and equity trading. We make dynamic allocations across types of trades and underlying commodities, but may focus on a limited number of trades with concentrated risk.

We take asymmetrical long and short positions in a broad range of commodities markets principally using listed futures and options on futures, forwards, look-a-like swaps that settle through a recognized exchange or market such as NYMEX ClearPort Contracts or comparable swaps. We may also trade over-the-counter commodity swaps and options, equities and currencies. We principally effect transactions that settle on a cash basis, but may from time to time enter into contracts that may settle on a physical basis; however, we do not take physical delivery of an underlying commodity.

Investors in our strategy should understand that all investments involve risk and that there can be no guarantee against loss resulting from an investment in our strategy, nor can there be any assurance that our investment objective will be attained. As with any investment, the value of an investment in our strategy may decrease as well as increase, depending on a variety of factors that may affect the value of the portfolio, including general economic conditions, market factors, currency exchange rates and investment decisions proven to be incorrect.

The risks of an investment in our strategy arise both from the risks associated with the investments and from the risks relating to our ability to achieve the investment objectives. Investment in our strategy carries a very high degree of risk. Certain of those risks are summarized below. Clients should review the relevant fund offering documents or managed account advisory agreement, as the case may be, for a more detailed discussion of the risks of investing in our strategy. Clients should consult with their professional advisors before making an investment in our strategy.

Investment and Trading Risks: We will invest in financial instruments which are subject to investment-specific price fluctuations as well as to macroeconomic, market and industry specific conditions, including but not limited to national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments, national and international politics and governmental events, and changes in national and local income tax laws. We may have only limited ability to vary our investment portfolio in response to changing economic, financial and investment conditions. Our investment program will utilize leverage and investment techniques that can, in certain circumstances, substantially increase the adverse impact to which we may be subject.

Futures Trading: We will invest in and actively trade futures. Futures prices can be highly volatile. Prices are influenced by, among other things, 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. 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.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." In addition, speculative position limits may limit the number of contracts that we may indirectly hold or control on particular commodities. These constraints could prevent us from promptly liquidating unfavorable positions and subject us to substantial losses. We also may not be able to execute futures trades at favorable prices if little trading in such contracts is taking place (a "thin"

market).

Futures are typically traded on "margin." The margin is the amount of escrow or performance bond deposit that we will have to make and maintain with its future clearing brokers to secure our future obligation to close out open positions. Margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits are indicative of the fact that futures contract trading typically is accompanied by a high degree of leverage. As a result, price fluctuations may result in a contract profit or loss that is disproportionate to the amount of funds deposited as margin.

Spread and Arbitrage Trading: We will invest in spread positions between two or more derivatives. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions, however, do entail a substantial risk that the price differential could change unfavorably causing a loss to the spread position. We may also engage in arbitrage trading in an effort to extract value from perceived anomalies across markets. This means, for example, we may purchase (or sell) financial instruments (i.e., on a current basis) and take offsetting positions in the same or related financial instruments. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavorably causing a loss to the position.

Fundamental Analysis: We will utilize fundamental analysis, which is premised on the assumption that markets are not perfectly efficient, that informational advantages and mispricings do occur and that econometric analysis can identify trading opportunities. Fundamental analysis may incur substantial losses if such economic factors are not correctly analyzed, not all relevant factors are identified and/or market forces cause mispricings to continue despite the traders having correctly identified such mispricings.

Concentration of Investments: We may hold a few, relatively large positions in relation to the capital attributable to our investments. Consequently, a loss in any such position could result in a proportionately higher reduction in the value of our investments than if the capital had been spread among a wider number of instruments. We do not, and are not required to, apply diversification rules over and above the rules described in our offering documents or managed account advisory agreements. Since a relatively high percentage of our assets may be invested in a limited number of instruments, we may be more susceptible to any single economic, political or regulatory occurrence, and may be more volatile, than the portfolio of a diversified investment company.

## VI. DISCIPLINARY INFORMATION

There are not any material regulatory, criminal, civil or administrative proceeding pending against Chichester Capital or any of its employees in respect of compliance or other matters and there have never been any such matters.

## VII. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Chichester Capital and its affiliates will devote only so much time and attention to the business and affairs of the Fund as they, in their discretion, may deem reasonably necessary. Chichester Capital and its affiliates may engage in, invest in, participate in or otherwise enter into other business ventures of any kind, nature or description, alone or with others, including, without limitation, the management of or investment in other investment entities or vehicles, and no client shall have any right in or to any such activities or the income or profits derived from any such activities.

Chichester Capital registered as a commodity pool operator with the U.S. Commodity Futures Trading Commission and became a member of the National Futures Association at the end of 2012. Chichester Capital and its management persons are not registered, and do not have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer or as a futures commission



merchant, a commodity trading advisor or an associated person of any of the foregoing.

## VIII. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Chichester Capital has adopted a Code of Ethics which governs personal trading by its principals, employees and related accounts ("Employees"). Employees are permitted to maintain personal securities accounts provided that such accounts are disclosed to Registrant and that any personal trading is consistent with applicable law and with the Code of Ethics. Subject to compliance with the Code of Ethics, Employees may buy, sell or hold, for their own personal trading accounts, securities that Registrant also may buy, sell or hold for Clients. Certain personal trades are subject to pre-approval by Registrant.

The Code contains policies and procedures that, among other things, (i) prohibit Employees from taking personal advantage of opportunities belonging to Clients, (ii) prohibit trading on the basis of material nonpublic information, (iii) place limitations on personal trading by Employees and impose pre-clearance (in certain cases) and reporting obligations with respect to trading, and (iv) require initial and annual reports of securities holdings and monthly transaction reports by Employees.

Employees are expected to maintain the highest standards of professional ethics. Employees may invest and trade for their own accounts, but are prohibited from investing in the same financial instruments as those traded or held by a fund or managed account that we advise, engaging in excessive trading in their personal accounts or committing an act which could be viewed as a conflict of interest or as compromising the best interest of clients.

## IX. BROKERAGE PRACTICES

In the exercise of its discretionary authority, Chichester Capital has the authority to determine, without obtaining specific client consent, securities and other financial instruments to be bought or sold, the amount of the securities and other financial instruments to be bought or sold, the broker or dealer to be used, and commission rates paid. Limitations on our authority are guided by, among other things, our responsibility to act as a fiduciary when handling clients' accounts, the investment strategies and objectives of our clients, and a private fund's offering documents or a managed account's advisory agreement.

We may (but are not required to) aggregate sale and purchase orders for clients with similar orders being made contemporaneously for other investment funds or client accounts that we manage or our related entities or their affiliates manage if, in our reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to such clients, based on an evaluation that such aggregation may result in relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of investments for the private funds shall be effected together with or substantially simultaneously with the purchase or sale of like investments for the accounts of other clients. In other instances, transactions for the accounts of such other clients may be made in the same assets opposite in nature from a private fund's transactions and may be effected at different times and at different prices.

In making our selection of broker-dealers and futures commission merchants (collectively, "Brokers"), we generally may take into account the Broker's reliability, reputation, financial responsibility, stability, ability to execute trades, operations, market making, net price, commodities capability, futures and options operations, back-office, error resolution, commission rate and responsiveness to us. In selecting Brokers, we generally seek the best and most efficient execution, on an overall or transaction basis. We need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. Given the brokerage services that Brokers generally offer, we may be deemed to be paying for other services provided by a Broker which are included in the commission rate, such as



related brokerage services including order routing, clearing, custodial and settlement services. Based on our knowledge of the industry, we will attempt to have our brokerage arrangements be competitive with similarly situated companies.

Although we may receive unsolicited research from Brokers we use, we do not direct trades in exchange for research products or research services, we do not select Brokers based solely on the receipt of such research and we otherwise do not enter into any "soft dollar" arrangements.

We do not adhere to any rigid formulas in selecting Brokers, but weigh a combination of the criteria set forth herein. Recognizing the values of these factors, we may select a Broker who charges brokerage commissions in excess of that which another Broker might have charged for effecting the same transaction. In connection therewith, we will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage services received, viewed in terms of either the specific transaction, client transactions overall or our overall responsibility to our clients. We regularly evaluate our brokerage practices and the reasonableness of commissions paid by our clients.

We have no fixed internal brokerage allocation procedures designating specific percentages of commissions to particular Brokers. We will seek best execution in transactions and will direct brokerage to firms when they are able to provide best execution. In recognition of the value of overall brokerage services provided by a Broker, we may effect transactions which cause us to pay such Broker an amount of commissions in excess of the amount of commissions another Broker would have charged. In addition, we may select a clearing broker or a prime broker to a private fund that will execute purchase and sale orders for such private fund and clear and settle orders executed by other Brokers.

We may receive incidental economic benefits from the Brokers we use, including free attendance at conferences or seminars sponsored by such Brokers and related travel and meal accommodations. We may also receive client referrals from such Brokers. Although the commission rates charged by such Brokers are represented as not reflecting any such additional benefits, the commission rates charged by such Brokers may be higher or lower than other Brokers. We may have a potential conflict of interest between our duty to obtain best execution for a client and our interest in receiving such economic benefits in the future.

Our selection of Brokers is guided and/or limited by (i) our responsibility to act as a fiduciary when handling clients' accounts, (ii) our obligation, to the extent applicable and subject to the conditions hereinabove specified, to select Brokers who offer overall best execution on clients' trades, and (iii) a private fund's offering documents or a managed account's advisory agreement.

## *X. REVIEW OF ACCOUNTS*

Client accounts and portfolios are reviewed at least weekly by Chichester Capital's portfolio management team. Designated members of our portfolio management team also review portfolio transactions daily. Investors in the private funds generally are provided with unaudited monthly statements and annually receive audited fiscal year-end financial information. Managed account clients are generally provided with unaudited monthly statements and such other reports as agreed with such clients.

## *XI. CLIENT REFERRALS AND OTHER COMPENSATION*

We may compensate third parties, including registered broker-dealers, for referring prospective advisory clients (or investors in a private fund) to it, at no additional cost to the client. Such referral fees generally will be an agreed upon fixed or other agreed upon amount (which may be based on revenue) or percentage of the management fees and/or performance-based compensation that we earn. As applicable, referral arrangements for clients will conform to Rule 206(4)-3 under the Investment Advisers Act of 1940.

## *XII. CUSTODY*

Chichester Capital has custody of client assets invested in the private investment funds that it manages based on Rule 206(4)-2 under the Investment Advisers Act of 1940, but does not have custody of client assets invested in separately managed accounts. Clients invested in these private funds receive monthly account statements from the funds' qualified custodian and should carefully review those statements. Fund investors will also receive annual audited financial statements prepared by the funds' independent public accountants.

## *XIII. INVESTMENT DISCRETION*

Chichester Capital provides discretionary investment management services to U.S. and non-U.S. institutional clients, principally private investment funds and separately managed accounts. The investment strategy of each private fund that we manage is set out in the fund's prospectus and that of each managed account in the account's investment management agreement. The mandate for each managed account is negotiated with the client.

## *XIV. VOTING CLIENT SECURITIES*

Given of the nature of its investment management services, Chichester Capital exercises its discretion to vote certain proxies for any securities held for client accounts. Generally, we will vote proxies which we believe reflect significant matters and will not vote proxies on routine matters. Generally, routine matters are those that do not materially change the structure, by-laws or operation of an issuer to the detriment of shareholders. When voting, our proxy voting policy is to vote client proxies in the client's best interest on a case-by-case basis, considering such facts as it deems material. Proxy proposals are reviewed by appropriate members of our portfolio management team (depending upon the issuer and/or the proxy). Our proxy voting policy also contains provisions regarding the steps it will take if it identifies a conflict of interest regarding voting proxies.

## *XV. FINANCIAL INFORMATION*

There is no financial condition that is reasonably likely to impair the ability of Chichester Capital to meet contractual commitments to clients.

## *XVI. CHICHESTER CAPITAL PORTFOLIO MANAGEMENT TEAM*

Julian Barrowcliffe  
(Managing Partner &  
Portfolio Manager)

Julian Barrowcliffe has been a Managing Partner and Portfolio Manager of Chichester Capital since inception in July 2009. From 2004 to 2009, Mr. Barrowcliffe was a Managing Director of Proxima Alfa Investments and Senior Portfolio Manager of its Anglian Commodities Team. From 1999 to 2004, Mr. Barrowcliffe was Global Head of Commodities Trading at Bank of America in New York. At Bank of America, Mr. Barrowcliffe managed a global derivatives business and personally traded a proprietary portfolio of relative value positions in crude oil and refined products. From 1996 to 1999, Mr. Barrowcliffe was part of Cinergy Capital and Trading, where he developed the recently deregulated utility's derivatives trading capability. Prior to joining Cinergy, he was a Director and Head of Energy Trading at Merrill Lynch from 1993 to 1996. Mr. Barrowcliffe also worked at Bankers Trust from 1987 to 1993 and Shell International from 1985 to 1987. Mr. Barrowcliffe received his B.A. (hons) D.I.S. Business Administration & French from Loughborough University of Technology in the United Kingdom. Mr. Barrowcliffe was born in 1962. Mr. Barrowcliffe is not subject to any legal or disciplinary events material to a client's or prospective client's evaluation of an investment with Chichester Capital.

Uday Narang  
(Managing Partner &

Uday Narang has been a Managing Partner and Portfolio Manager of Chichester Capital since inception in July 2009. From 2004 to 2009, Mr. Narang was a Managing Director of Proxima Alfa Investments and a Portfolio Manager of its Anglian Commodities Team. From 2003 to 2004, Mr. Narang served as a

Portfolio Manager)

global commodity advisor and consultant to the LNM Group (Ispat International N.V.), a major steel company, on their energy hedging activities worldwide. From 2000 to 2003, he was President of Entergy-Koch Trading LP in London. Prior to that, he was a Vice President of Entergy Wholesale Operations. From 1997 to 1999, Mr. Narang traded natural gas and power for Cinergy and was responsible for the forward hedging and arbitrage trading of the Cinergy gas, power and oil portfolios. Mr. Narang started his career as an oil and gas trader at Metallgesellschaft Corporation from 1992 to 1995 and later worked for the Unocal Corporation trading its oil portfolio during 1996. He received a B.A. in Business Management, B.S. in Economics and an M.S. in Management and Policy from the State University of New York at Stony Brook. He also served on the International Board of the International Swaps Dealers Association. Mr. Narang was born in 1969. Mr. Narang is not subject to any legal or disciplinary events material to a client's or prospective client's evaluation of an investment with Chichester Capital.