

Part 2A of Form ADV Brochure Document

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This brochure provides information about the qualifications and business practices of Atreaus Capital, LP and Atreaus Capital, LLP (collectively “Atreaus Capital” or “the Company”). If you have any questions about the contents of this brochure, please contact us at: (212) 257 - 4050. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Atreaus Capital is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Information about Atreaus Capital is available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes

This item provides a summary of material changes to our business from our initial and most recent brochure dated July 2012:

1. Item 4 has been changed to provide information regarding our financial affiliate, Atreaus Capital, LLP.
2. Item 10 has been updated to reflect Atreaus's registration with the US Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator.

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Advisory Business

Atreaus Capital, LP (“Atreaus US”) was established in December 2011 organized under the laws of Delaware. Atreaus Capital Holdings, LP is the sole limited partner of the Company and Atreaus Capital GP, LLC serves as the general partner of the Company. Mr. Todd Edgar, Mr. Dmitri Shklovsky, Mr. Peter Buschmann, Mr. Sinan Gumusdis, Mr. Andrew Downes and Mr. Michael Ridewood are the founders of the Company, which is controlled day to day by Mr. Edgar.

Atreaus Capital, LLP (“Atreaus UK”) was organized in January 2012 under the laws of England and Wales and is authorised and regulated by the Financial Conduct Authority in the United Kingdom, by the Financial Services Authority. Atreaus Capital Investments Limited and Mr. Peter Buschmann, Mr. Sinan Gumusdis and Mr. Michael Ridewood are the founders of Atreaus UK. Further information on Atreaus UK can be found in this document under the section entitled Other Financial Industry Activities and Affiliations.

Although organized as separate legal entities, Atreaus US and Atreaus UK conduct a single advisory business because, among other things, the Atreaus entities: (i) are subject to a unified compliance program; (ii) advise only private funds and certain separate accounts maintained on behalf of qualified clients; (iii) use the same or similar names; and (iv) hold themselves out to current and prospective investors as conducting a single advisory business because they, for example share personnel and resources.

Atreaus US and Atreaus UK are each registered with the U.S. Securities and Exchange Commission (the “SEC”) as investment advisers under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). Atreaus has filed a single Form ADV with the SEC with Atreaus US as the “filing adviser” and Atreaus UK as a “relying adviser” in reliance on the position expressed in the no-action letter issued to the American Bar Association, Business Law Section, dated January 18, 2012 (the “2012 ABA No-Action Letter”).

The Company provides discretionary investment management services to Atreaus Master Fund, LP, a Cayman Islands exempted limited partnership formed in February 2012 (the “Master Fund” and together with its associated feeder funds, collectively, the “Atreaus Funds”). The Company also provides discretionary account management services to a non-US based separately managed account (“SMA”), on the same terms and pari passu with the Atreaus Funds (collectively the Atreaus Funds and the SMA are the “Clients”), to the extent practical and in accordance with the Master Fund's or SMA's applicable investment strategies, over a period of time and as described further in the section on Brokerage Practices below.

As of December 31, 2012, Atreaus Capital has regulatory assets under management of approximately \$672,393,699.

With respect to the Atreaus Funds, Atreaus Capital manages assets in accordance with the investment objectives and restrictions set forth in the governing documents applicable to each Atreaus Fund. The Company primarily trades in futures, options and swaps in order to meet the

Atreaus Funds' objectives to provide positive returns, with a high sharpe ratio, uncorrelated to global equity markets. The individual needs of the investors in the Atreaus Funds are not the basis of investment decisions. Investment advice is provided directly to the Atreaus Funds and not individually to the Atreaus Funds' investors.

Please see "Methods of Analysis, Investment Strategies, and Risk of Loss" for a description of investment strategies and their related risks.

This Brochure generally includes information about Atreaus Capital and its relationships with its Clients and affiliates. While much of this Brochure applies to all such Clients and affiliates, certain information included herein applies to specific Clients or affiliates only.

Fees and Compensation

Atreaus Capital will receive from each Client a management fee based on a percentage of assets under management, and an affiliate of Atreaus Capital will receive an incentive allocation, which is an allocation based on a share of net capital appreciation earned on the assets under management. Management fees range from 1.5%-2.0% per annum, depending on the tranche of shares or interests, as applicable, and are typically paid monthly in arrears. In the sole discretion of Atreaus Capital, the management fee may be waived, reduced or calculated differently with respect to certain investors including Atreaus Capital's employees, affiliates, members of the immediate families of such persons, and trusts or other entities for their benefit or certain strategic investors. Investors should consult the offering memorandum for the relevant Atreaus Fund for more details on the calculation of the management fee. The separately managed account should consult the advisory contract for details on the calculation of the management fee.

An affiliate of Atreaus Capital will be allocated an incentive allocation ("Incentive Allocation") in an amount depending on the tranche or shares, as applicable, equal to 17.5%-20% (less any amounts allocated to the special limited partner of the Master Fund) of net realized and unrealized appreciation, subject to a high water mark, for each fiscal year after deduction of the management fee and subject to any high water mark (as defined in the respective Atreaus Fund's offering memorandum or applicable advisory contract). Incentive Allocations are typically made annually. In the sole discretion of the Atreaus Funds' general partner or board of directors, as applicable, the Incentive Allocation may be waived, reduced or calculated differently with respect to certain investors including Atreaus Capital's employees, affiliates, members of the immediate families of such persons, and trusts or other entities for their benefit or certain strategic investors. Investors should consult the offering memorandum for the relevant Atreaus Fund for more details on the calculation of the Incentive Allocation. The SMA is also charged an incentive fee. The SMA should consult the advisory contract for details on the calculation of the incentive fee.

In addition to the management fee and Incentive Allocations discussed above, Clients are responsible for the payment of their own expenses, including, without limitation, the Management Fee; investment expenses, whether or not such investments are consummated (such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); investment-related travel expenses (which are travel expenses related to the purchase, sale or transmittal of, or due diligence regarding, the Client's

investments, whether or not such investments are consummated, incurred by Atreaus Capital and the general partners of certain of the Clients); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the Client accounts (including, without limitation, third-party software licensing, implementation, data management and recovery services and custom development costs); research and market data (including, without limitation, any computer hardware and connectivity hardware (e.g., telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); administrative expenses (including fees and expenses of the administrator); legal expenses; external accounting and valuation expenses (including, without limitation, the cost of accounting software packages); audit and tax preparation expenses; costs related to errors and omissions insurance for Atreaus Capital and the general partners of certain Clients; fees of the directors; costs of printing and mailing reports and notices; entity-level taxes; corporate licensing; regulatory expenses of the Client accounts and Atreaus Capital (including, without limitation, consulting fees, legal fees and filing fees); organizational expenses; expenses incurred in connection with the offering and sale of the shares or interests, as applicable (including travel expenses) and other similar expenses related to the Client accounts (other than any fees payable to any placement agent, which will be paid by Atreaus Capital either directly or indirectly by reducing the Management Fees owed to Atreaus Capital); indemnification expenses; and extraordinary expenses. A complete description of fees and expenses applicable to each Client and investor is available in the relevant Atreaus Fund's offering document or the applicable advisory agreement for the SMA.

Performance-Based Fees

Atreaus Capital or an affiliate thereof accepts performance-based compensation from each Client. As a result, Atreaus Capital and its affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some Clients, but not from other Clients.

Performance based compensation or allocations, as discussed above, may create an incentive for Atreaus Capital or its affiliates to make investments that are riskier or more speculative than would be the case in the absence of performance based compensation. . Since the performance based compensation is based on both realized and unrealized gains, Atreaus Capital or an affiliate thereof may receive performance based compensation reflecting unrealized gains at the end of a period that are not subsequently recognized by a Client or investor.

Types of Clients

Atreaus Capital provides investment advisory services to various pooled investment vehicles and SMAs, managed on the same or similar terms to those of the Atreaus Funds.

Methods of Analysis, Investment Strategies, and Risk of Loss

The descriptions set forth in this Brochure of specific advisory services that Atreaus Capital offers to Clients, and investment strategies pursued and investments made by Atreaus Capital on behalf of its Clients, should not be understood to limit in any way Atreaus Capital's investment activities. Atreaus Capital may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Atreaus Capital considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies Atreaus Capital pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Methods of Analysis and Investment Strategies

Atreaus Capital's investment objective is to provide positive returns, with a high Sharpe ratio, uncorrelated to global equity markets. Atreaus Capital employs a predominantly trend-following, discretionary global strategy seeking to identify and capitalize on trends in commodities, currencies, interest rates, equity indices in both developed and emerging markets. Key components to the investment strategy are the active management of risk and liquidity. Atreaus Capital, on behalf of the Atreaus Funds, invests substantially in liquid financial instruments which include: futures, options and swaps (including OTC transactions) on commodities, foreign exchange/currencies, interest rates and equity indices, U.S. and non-U.S. government bonds or other fixed-income instruments and money-market equivalents. Commodity exposure includes precious metals (included but not limited to gold, silver, platinum, palladium), base metals (aluminum, alloy, copper, nickel, lead, tin, zinc), iron ore, energy (included but not limited to crude, U.S. natural gas, heating oil, gas oil, forward freight agreements, uranium, coal, gasoline), agricultural and soft commodities (included but not limited to corn, wheat, soybeans, sugar, cotton, cocoa, coffee, live cattle, lumber, rough rice and feeder cattle).

Atreaus Capital will employ a strategy of capital allocation by timeframes to achieve diversification and non-correlated returns among its portfolio managers. It is expected that, approximately 25% of the capital will be allocated for short-term strategies (with timeframes of minutes to a few days), 50% of capital for medium term strategies (with timeframes of days to months) and 25% of capital for long-term strategies (with timeframes of multiple months and sometimes years). These approximate allocations to each timeframe strategy are general guidelines only and will vary substantially at any time and over time. Each portfolio manager is allocated individual capital according to the timeframe and return characteristics of their trading style and runs their independent portfolio within the strict risk framework (although all portfolio managers have complete discretion to trade any investment in which the Client accounts may trade). An individual portfolio manager may trade positions across more than one timeframe strategy.

Atreaus Capital utilizes a seven-step investment process, namely, (1) analyzing the current state of the world, (2) developing future macro scenarios, (3) assessing plausibility of future scenarios in light of current and expected developments, (4) identifying potential catalysts, (5) choosing the market to trade, (6) reassessing trade in light of market drivers and (7) applying risk management rules to filter and size trade.

Risk Management

Atreaus Capital uses a combination of statistically based risk models (*e.g.*, VAR, stress testing) coupled with hard stop loss limits to size and control risk at both the aggregate portfolio and individual portfolio manager level (these are in addition to the risk management steps that are tightly integrated into the investment process).

Counterparty credit risk and product risk concentrations will be monitored on a daily basis. Any issues will be escalated to the risk committee by any member of the committee or by individual portfolio managers.

Atreaus Capital may cause the Client accounts to invest a portion of their capital in short-term cash and fixed income investments, including U.S. government securities, money market instruments, commercial paper, certificates of deposit and bankers' acceptances as a market hedge or to manage liquidity needs.

Asset Classes

As a general guideline, Atreaus Capital expects that the Client portfolios will be comprised as follows: (i) 60% commodities-related futures, options and swaps (with two-thirds expected to be in metals and one-third expected to be split between energy and agricultural commodities); (ii) 30% foreign exchange and (iii) 10% in interest rates and equity indices (accounting for never more than one-third of total risk). These approximate allocations to each asset class may vary substantially at any time and over time, as market conditions change and investment opportunities shift.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment for Client accounts advised by Atreaus Capital. These risk factors include only those risks Atreaus Capital believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by Atreaus Capital.

Risks Related to Investment Strategy

Risk of Loss. No guarantee or representation is made that Atreaus Capital's investment program, including, without limitation, Atreaus Capital's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. *Past investment results of the investments otherwise made by the investment professionals of Atreaus Capital are not necessarily indicative of the Clients' or Atreaus Capital's future performance.*

General Economic and Market Conditions. The success of Atreaus Capital's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Clients' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the trading strategies which are based on the predicated outcomes of macroeconomic themes.

Global Macro. The success of Atreaus Capital's global macro investment strategy depends upon Atreaus Capital's ability to identify and exploit perceived fundamental, economic, financial and political imbalances that may exist in and between markets throughout the world. Identification and exploitation of such imbalances involves significant uncertainties. There can be no assurance that Atreaus Capital will be able to locate investment opportunities or to exploit such imbalances. In the event that the theses underlying the Clients' positions fail to be borne out in developments expected by Atreaus Capital, the Clients may incur losses, which could be substantial.

Short Selling. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying Financial instrument could theoretically increase without limit, thus increasing the cost to the Clients of buying those financial instruments to cover the short position. There can be no assurance that the Clients will be able to maintain the ability to borrow financial instruments sold short. In such cases, the Clients can be "bought in" (*i.e.*, forced to repurchase financial instruments in the open market to return to the lender). There also can be no assurance that the financial instruments necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing financial instruments to close out a short position can itself cause the price of the financial instruments to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the Clients may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Clients secure a "good borrow" of the financial instrument sold short at the time of execution, the lending institution may recall the lent financial instrument at any time, thereby forcing the Clients to purchase the financial instrument at the then-prevailing market price, which may be higher than the price at which such financial instrument was originally sold short by the Clients.

Short-Term Market Considerations. Atreaus Capital's trading decisions will be made on the basis of short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.

Leverage and Borrowing.

Leverage for Investment Purposes. The use of leverage will allow a Client to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of a Client's portfolio. The effect of the use of leverage by a Client in a market that moves adversely to its investments could result in substantial losses to such Client, which would be greater than if such Client were not leveraged.

Borrowing for Cash Management Purposes. The Clients have the authority to borrow for cash management purposes, such as to satisfy redemption requests.

Collateral. The instruments and borrowings utilized by Atreaus Capital to leverage investments may be collateralized by all or a portion of the Clients' portfolios. Accordingly, the Clients may pledge their financial instruments in order to borrow or otherwise obtain leverage for investment or other purposes. Should the financial instruments pledged to brokers to secure the Clients' margin accounts decline in value, the Clients' could be subject to a "margin call", pursuant to which the Clients must either deposit additional funds or financial instruments with the broker or suffer mandatory liquidation of the pledged financial instruments to compensate for the decline in value. The banks and dealers that provide financing to the Clients can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Clients may have similar rights. There can be no assurance that the Clients will be able to secure or maintain adequate financing.

Costs. Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Clients' portfolios.

Hedging Transactions. Atreaus Capital on behalf of the Clients may utilize financial instruments for risk management purposes in order to: (i) protect against possible changes in the market value of the Clients' investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Clients' unrealized gains in the value of their investment portfolios; (iii) facilitate the sale of any financial instruments; (iv) enhance or preserve returns, spreads or gains on any financial instrument in the Clients' portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Clients' financial instruments; (vii) protect against any increase in the price of any financial instruments the Clients anticipates purchasing at a later date; or (viii) act for any other reason that Atreaus Capital deems appropriate. The Clients will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. Atreaus Capital may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Clients than if they had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Risks Related to Methods of Analysis

Fundamental Analysis. Certain trading decisions made by Atreaus Capital's may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. Fundamental market information is subject to interpretation. To the extent that Atreaus Capital misinterprets the meaning of certain data, the Clients may incur losses.

Trend Following. Trading decisions made by Atreaus Capital will be based on trend following. Any factor that would lessen the prospect of major trends occurring in the future (such as increased governmental control of, or participation in, the financial markets) may reduce

the prospect that a particular trading method or strategy will be profitable in the future. In the past, there have been periods without discernable trends and, presumably, such periods will continue to occur in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability.

Risks Related to Specific Investments

Commodities.

Factors affecting Commodities Prices. The values of commodities which underlie the commodity futures contracts and other types of financial instruments are generally affected by, among other factors, the cost of producing commodities, changes in consumer demand for commodities, the hedging and trading strategies of producers and consumers of commodities, speculative trading in commodities by commodity pools and other market participants, disruptions in commodity supply, weather and climate conditions, changes in interest rates, rates of inflation, currency devaluations and revaluations, embargoes, tariffs, regulatory developments, governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies, political and other global events and global economic factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in certain markets and this intervention may cause these markets to move rapidly. The Clients and Atreaus Capital have no control over the factors that affect the price of commodities. Accordingly, the value of the Clients' investments could change substantially and in a rapid and unpredictable manner.

Precious Metals. Prices of precious metals (*e.g.*, gold, silver, platinum and palladium) are affected by factors such as cyclical economic conditions, political events, and monetary policies of various governments and countries. In addition, certain precious metals are geographically concentrated, and events in those parts of the world in which such concentration exists may affect their values. Gold and other precious metals are also subject to governmental action for political reasons. The markets for precious metals are volatile and there may be sharp fluctuations in prices even during period of rising prices.

Energy. Markets for energy-related commodities, including, without limitation, electricity, coal, natural gas, crude oil and other petroleum products, can be susceptible to substantial price fluctuations over short periods of time and are particularly affected by political events, natural disasters, exploration and development success or failure, and technological changes. In addition, significant short-term price volatility can be caused by the inability to store electricity, tariff regulation and consumer advocacy.

Agriculture. Agricultural commodities are particularly sensitive to changes in, among other things, climate, crop and livestock health, world political events, government action (including export and import restrictions and embargoes), international and regional trade contracts, labor contracts, transportation systems and crop predictions. Significant production declines and volume decreases of agricultural commodities can

occur as a result of, among other things, hurricanes, tornadoes, floods, fires and other natural disasters. In addition, agricultural commodities are subject to price volatility as a result of disruptions relating to the facilities necessary to produce, transport, store and deliver the agricultural commodity. As a result, the net assets of the Clients may be affected by such factors.

Currencies. A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by Atreaus Capital on behalf of the Clients are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which 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.

Derivative Instruments Generally. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk. Derivatives traded over-the-counter may not have an authoritative source of valuation and the models used to value such derivatives is subject to change. In addition, Atreaus Capital may, in the future, take advantage of opportunities. Special risks may apply in the future that cannot be determined at this time with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. The regulatory and tax environment for derivative instruments in which the Clients may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on the Clients.

Call Options. The seller (writer) of a call option which is covered (*i.e.*, the writer holds the underlying financial instrument) assumes the risk of a decline in the market price of the underlying financial instrument below the purchase price of the underlying financial instrument less the premium received, and gives up the opportunity for gain on the underlying financial instrument above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying financial instrument above the exercise price of the option. The financial instruments necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing financial instruments to cover the exercise of an uncovered call option can cause the price of the financial instruments to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. The seller (writer) of a put option which is covered (*i.e.*, the writer has a short position in the underlying financial instrument) assumes the risk of an increase in the market price of the underlying financial instrument above the sales price (in establishing the short position) of the underlying financial instrument plus the premium received, and gives up the opportunity for gain on the underlying financial instrument if

the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying financial instrument below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index or Index Options. The value of an index or index option fluctuates with changes in the market values of the securities included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular security, whether the Clients will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the security market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular securities.

Index Futures. The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, shareholders may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by the Clients also is subject to Atreaus Capital's ability to correctly predict movements in the direction of the market.

Swaps. Whether Atreaus Capital's use of swap agreements or swaptions will be successful will depend on Atreaus Capital's ability to select appropriate transactions for the Clients. Swap agreements and options on swap agreements ("swaptions") can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease the holder's exposure to, for example, equity securities, long-term or short-term interest rates, non-U.S. currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Clients' portfolios. Moreover, the Clients bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Clients will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Clients to post or maintain required collateral. It is possible that developments in the swap markets, including government regulation, could adversely affect the Clients' ability to terminate swap transactions or to realize amounts to be received under such transactions.

Futures Contracts. The value of futures contracts depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced

by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the Clients' positions trade or of their clearing houses or counterparties. 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". 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 the Clients from promptly liquidating unfavorable positions and subject the Clients to substantial losses or prevent them from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the U.S. Commodity Futures Trading Commission (the "CFTC") could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Forward Contracts. Banking authorities generally do not regulate trading in forward contracts. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts 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. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which Atreaus Capital would otherwise recommend, to the possible detriment of the Clients. In its forward trading, the Clients will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which the Clients trade. Client assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. Atreaus Capital may order trades for the Clients in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject the Clients to the risk of loss.

Contracts for Differences. Contracts for differences ("CFDs") are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument's value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. A CFD is usually terminated at the buyer's initiative. As is the case with owning any financial instrument, there is the risk of loss associated

with buying a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the buyer to post additional margin. CFDs also carry counterparty risk, *i.e.*, the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require the buyer to make additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on the Clients' obligations to their counterparty under the CFDs and the return on related assets in their portfolios, the CFD transaction may increase the Clients' financial risks.

Failure to Enter into Offsetting Trade. To the extent the Clients invest in a futures contract or option long, unless an offsetting trade is made, the Clients would be required to take physical delivery of the commodity underlying the future or option. To the extent Atreaus Capital fails to enter into such offsetting trade prior to the expiration of the contract, the Clients may suffer a loss since neither the Clients nor Atreaus Capital has the operational capacity to accept physical delivery of commodities.

Risks Related to Non-U.S. Investments and Non-U.S. Jurisdictions

Non-U.S. Exchanges. Atreaus Capital may trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. securities, futures, commodities and other financial instruments may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

Non-U.S. Investments. Investing in the financial instruments outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. Government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Clients' investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the Clients may be unable to structure their transactions to achieve the intended results or to mitigate all risks

associated with such markets. It may also be difficult to enforce the Clients' rights in such markets. For example, financial instruments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Clients under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

Dependence on Developing Countries. The level of commodity prices can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. In particular, recent growth in industrial production and gross domestic product has made many developing countries, particularly China, disproportionately large users of commodities and has increased the extent to which commodity prices are dependent on the markets of those developing countries. Political, economic and other developments that affect these developing countries may affect the level of certain commodities and, thus, the value of the Clients' investments. Because certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply-related events in those countries could have a disproportionate impact on the prices of commodity futures contracts and other types of financial instruments in which Atreaus Capital will invest. Events affecting the prices of commodities tend to affect prices worldwide, regardless of the location of the event.

Disciplinary Information

Atreaus Capital and its management personnel have not been involved in any legal or disciplinary events that would be material to a Client or prospective client's evaluation of the Company or its management personnel.

Other Financial Industry Activities and Affiliations

Pooled Investment Vehicles

Certain of the Atreaus Funds are U.S. limited partnerships that are controlled by Atreaus Associates, LP, as their general partner who has delegated to the Company discretion over the management of such Atreaus Funds' investment activities.

Atreaus US has registered with the CFTC as a commodity pool operator. As previously noted, Atreaus Associates, LP, an affiliate of the Atreaus Capital, is the general partner of the Atreaus Funds.

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

Code of Ethics and Personal Securities Transactions

To avoid any potential conflicts of interest involving personal trades, Atreaus Capital and its affiliates have adopted a Code of Ethics in compliance with Section 204A of the Advisers Act and Rule 204A-1 under the Advisers Act, as amended. The Code of Ethics addresses, among other things, insider trading, information barriers, and personal securities transactions and requires employees to adhere to the following principles:

1. The interests of Clients must take precedence over those of employees;
2. All personal securities transactions must be conducted in a manner consistent with applicable laws and must avoid any actual or potential conflicts of interest or any abuse of a position of trust and responsibility;
3. Employees may not take inappropriate advantage of their position at Atreaus Capital; and
4. Information about Clients, portfolio holdings, and investment recommendations must be kept confidential.

In all cases, Clients' interests are paramount and take priority over employees' interests.

The Code of Ethics governs personal trading activities by employees and their immediate family members. Specifically, the Code of Ethics requires employees to pre-clear certain personal securities transactions, report all personal trades on at least a quarterly basis, provide all trading confirmations and provide initial and annual holdings reports to the Chief Compliance Officer.

The Chief Compliance Officer monitors employees' personal trading activity to ensure that transactions have been executed in accordance with the Code of Ethics and relevant rules and regulations. A copy of the Company's Code of Ethics is available to Clients and prospective clients upon request.

Participation or Interest in Client Transactions

Atreaus Capital does not intend to engage in principal trades. However, Atreaus Capital, its employees, and other related entities may have an ownership interest in certain Atreaus Funds in which other Atreaus Funds may invest (e.g., feeder funds will invest in a master fund for which Atreaus Capital or an affiliate serves as investment manager, sub-advisor and/or general partner).

Brokerage Practices

As noted previously, Atreaus Capital has full discretionary authority to manage the Client accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. Atreaus Capital's authority is limited by its own internal policies and procedures and each Client's investment guidelines.

Portfolio transactions for each client will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other

services that are beneficial to Atreaus Capital and/or certain clients, but not beneficial to all clients. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Atreaus Capital may consider, among other things, the following:

- the ability of the brokers and dealers to effect the transaction;
- the brokers' or dealers' facilities, reliability and financial responsibility; and
- the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the commission rates (or dealer markups and markdowns) charged to the Client accounts by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers who may not offer such services. Atreaus Capital need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Atreaus Capital nor the Client accounts separately compensate any broker or dealer for any of these other services.

If Atreaus Capital decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another:

- the ease of use;
- the flexibility of the ECN compared to other ECNs; and
- the level of care and attention that will be given to smaller orders.

Atreaus Capital maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

From time to time, Atreaus Capital may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transaction) for effecting Client account transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. Atreaus Capital will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, and subject to prevailing guidance provided by the SEC regarding Section 28(e). Atreaus Capital believes it is important to its investment decision-making processes to have access to independent research.

Also, consistent with Section 28(e), research products or services obtained with "soft dollars" generated by one or more Client accounts may be used by Atreaus Capital to service one or more Clients, including Clients that may not have paid for the soft dollar benefits. Atreaus Capital does

not seek to allocate soft dollar benefits to client accounts in proportion to the soft dollar credits the client accounts generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to Atreaus Capital (*i.e.*, a “mixed use” item), Atreaus Capital will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Atreaus Capital’s allocation of the costs of such benefits and services between those that primarily benefit Atreaus Capital and those that primarily benefit the Client accounts.

When Atreaus Capital uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Atreaus Capital receives a benefit because it does not have to produce or pay for such products or services. Atreaus Capital may have an incentive to select or recommend a broker-dealer based on Atreaus Capital’s interest in receiving research or other products or services, rather than on its Clients’ interest in receiving most favorable execution.

At least annually, Atreaus Capital considers the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of the Client accounts on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will Atreaus Capital make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Trade Aggregation

If Atreaus Capital determines that the purchase or sale of a security is appropriate with regard to multiple Clients, Atreaus Capital may, but is not obligated to, purchase or sell such a security on behalf of such Clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Client will receive the average price, with transaction costs generally allocated *pro rata* based on the size of each Client’s participation in the order (or allocation in the event of a partial fill) as determined by Atreaus Capital. In the event of a partial fill, allocations may be modified on a basis that Atreaus Capital deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by Atreaus Capital. As a result, certain trades in the same security for one Client (including a client in which Atreaus Capital and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Trade Allocation

Investment opportunities will generally be allocated among the Master Fund and SMA for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with an account's objectives; (ii) the potential for the proposed investment to create an imbalance in an account's portfolio; (iii) the liquidity requirements of an account; (iv) potentially adverse tax consequences; (v) regulatory restrictions that would or could limit an account's ability to participate in a proposed investment; and (vi) the need to re-size risk in an account's portfolio.

Atreaus Capital will have no obligation to purchase or sell a Financial Instrument for, enter into a transaction on behalf of, or provide an investment opportunity to the Master Fund or SMA accounts solely because Atreaus Capital purchases or sells the same Financial Instrument for, enters into a transaction on behalf of, or provides an opportunity to a SMA or the Master Fund if, in its reasonable opinion, such financial instrument, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Master Fund or the SMA.

In particular, when the Master Fund is ramping up its investment or trading strategies, it may receive larger allocations of certain financial instruments than the SMA in order to obtain its desired risk and portfolio size. Conversely, when the SMA ramps up their investment and trading strategies, the Master Fund may receive reduced or no allocations of certain financial instruments.

Review of Accounts

Generally, Client accounts will be reviewed on a continuous basis by investment personnel. These reviews are designed to monitor and analyze Client transactions and positions and ensure compliance with investment objectives and restrictions. Particular attention is given to changes in company fundamentals, industry outlook, market outlook, and price levels.

Investors will receive a variety of reports on a regular basis, depending on the Client in which they are invested. Such reports include net asset value reports, a quarterly letter and annual financial statements.

Client Referrals and Other Compensation

No one who is not a Client provides an economic benefit to Atreaus Capital for providing investment advice or other advisory services to Clients. In addition, the Company does not compensate any person for Client referrals. However, prime brokers providing services to the Company and its affiliates may provide introductory services for potential investors.

Custody

All Client assets are held in custody by unaffiliated broker-dealers or banks. While Atreaus Capital does not maintain physical custody of Client assets, certain affiliates may be considered to have custody, pursuant to Rule 206(4)-2 of the Advisers Act due to their ability access the accounts of the Atreaus Funds through their position as the general partner or investment manager of an Atreaus Fund. Investors do not receive statements directly from Atreaus Fund custodians. Instead, the Atreaus Funds will be subject to an annual audit and audited financial statements are distributed to each investor. Audited financial statements are prepared in accordance with US Generally Accepted Accounting Principles and distributed within 120 days of each Atreaus Fund's fiscal year end.

Investment Discretion

Atreaus Capital will manage the Client accounts on a discretionary basis subject to the guidelines and restrictions set forth in the relevant Atreaus Fund offering documents or SMA advisory agreement, as applicable. The Company will typically have the authority to determine the investments to be bought and sold without obtaining the Clients' or investors' consent to specific transactions. Moreover, the Company typically has the authority to determine the amount of the investments to be bought and sold without obtaining the Clients' or investors' consent to specific transactions.

Voting Client Securities

Due to the nature of the Company's investment advice, it is unlikely that it would receive proxies. However, in the event that Atreaus Capital receives proxies it will have the authority to act on proxies (vote or abstain) on behalf of the Clients. Atreaus Capital will vote proxies in the manner it believes is most likely to enhance the economic value of the underlying securities held by the Clients. Each proxy proposal will be considered on its own merits, and the Company will vote exclusively with the goal of best serving the financial interests of the Clients.

Atreaus Capital may have a conflict of interest in voting a particular proxy. A conflict of interest could arise, for example, as a result of a business relationship with a company, or a direct or indirect business interest in the matter being voted upon, or as a result of a personal relationship with corporate directors or candidates for directorships. If Atreaus Capital determines that it or one of its employees faces a material conflict of interest in voting a proxy, Atreaus Capitals' procedures provide for the Chief Compliance Officer to determine the appropriate action.

Clients may obtain a copy of Atreaus Capital's proxy voting policies and procedures, as well as information about how the Company voted with respect to their investments, by contacting us at: (212) 257 - 4050.

Financial Information

Atreaus Capital has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client or the Atreaus Fund accounts. Atreaus Capital is considered to have discretionary authority over the Atreaus Funds it manages and as of the date of the completion of this form, there are no known financial conditions that are reasonably likely to impair its ability to meet contractual commitments to its Clients or Atreaus Funds.