

**SLZ Capital Management, LLC**

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This brochure provides information about the qualifications and business practices of SLZ Capital Management, LLC. If you have any questions about the contents of this brochure, please contact SLZ Capital Management, LLC's Chief Compliance Officer, Marc Diagonale, at (212) 884-8752 or by email at [marc@slzcapital.com](mailto:marc@slzcapital.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 SLZ Capital Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 2 - Material Changes**

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This is the initial filing of the Form ADV Part 2A for SLZ Capital Management, LLC and as such, there are no material changes to report. In the future, this Item will discuss only *specific material changes* that were made to the brochure and will provide clients with a summary of such changes.

**Item 4 - Advisory Business**

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SLZ Capital Management, LLC, a Delaware limited liability company (“**SLZ Capital Management**” or the “**Investment Manager**”), was founded in January 2011 by Adam Zimble. SLZ Capital Management currently offers discretionary investment advisory services to the following: SLZ Capital Master Fund, LP and its feeder funds SLZ Capital Partners, LP and SLZ Capital Offshore Fund, Ltd., as well as SLZ Capital Opportunity Fund, Ltd. and Whitney Capital Series Fund LLC – Series LS10 (each, a “**Fund**” or “**Client**” and collectively, the “**Funds**” or “**Clients**”). The Funds are currently our only Clients; however, we may in the future organize and/or serve as the Investment Manager to other investment vehicles and/or separately managed accounts.

Each Fund is managed pursuant to the objectives specified in the materials by which that Fund offers its ownership interests to investors. SLZ Capital Management does not tailor its services to individual client needs and the Funds’ investors do not have the right to specify, restrict, or influence the Funds’ investment objectives or any investment or trading decisions.

Mr. Zimble is the sole owner and Managing Member of SLZ Capital Management.

As of March 31, 2013, we managed Client assets, on a discretionary basis, of approximately \$178,672,322.

**Item 5 - Fees and Compensation**

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The Funds are generally charged a fee consisting of (1) an annual “management fee” (that is payable quarterly); and (2) an annual “incentive allocation” which is calculated based upon a percentage of the net capital appreciation of the Funds at the end of each fiscal year.

**Management Fees**

For the services provided to each Fund, SLZ Capital Management will generally receive a quarterly management fee calculated at an annual rate of 1.5% of each investor’s capital account (the “Management Fee”). The Management Fee will be paid quarterly in advance, based on the value of each capital account, as of the first business day of each calendar quarter, and will be deducted by the Investment Manager. The Management Fee will be adjusted for contributions and withdrawals made during the quarter.

While Management Fees are not generally negotiable, SLZ Capital Management may waive or modify the Management Fee as to certain investors that are members, employees or affiliates of the investment manager, relatives of such persons, and for certain large or strategic investors.

**Side Letters**

SLZ Capital Management currently has in place side letters with certain investors negotiating various fund terms, including fees.

**Other Expenses**

Each Fund pays all of the expenses of its administration and operation. These expenses include, among other things: legal, compliance, administrator, audit and accounting expenses (including third party accounting services); organizational expenses; investment expenses

such as commissions, research fees and expenses (including research related travel, meals and lodging); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs (including D&O and E&O insurance); any Directors' fees and expenses; expenses associated with any Fund-related special purpose vehicles; and any other expenses reasonably related to the purchase, sale or transmittal of Fund assets.

For a more detailed discussion of brokerage and transaction costs, investors are directed to "Item 12: Brokerage Practices."

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**Item 6 - Performance Fees**

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***Incentive Allocations***

At the end of each fiscal year, the SLZ Capital Management or our affiliate, SLZ Capital GP, LLC (the "General Partner") will receive an annual incentive allocation equal to 20% of the net profits attributable to each investor's account, if any, subject to a clawback provision and a loss carryforward provision (the "Incentive Allocation").

When calculating the Incentive Allocation, net profits will be reduced by the Management Fee, and all relevant items of income, loss and expense incurred will be taken into account.

SLZ Capital Management and the General Partner may waive or modify the Incentive Allocation for investors that are members, employees or affiliates of the General Partner or the Investment Manager, relatives of such persons, and for certain large or strategic investors. For a more detailed discussion on Incentive Allocations, please see the relevant Fund's offering memorandum.

All Incentive Allocations are charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), whereby each investor that is charged a performance fee must be a "qualified client."

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**Item 7 - Types of Clients**

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SLZ Capital Management currently provides investment advice only to the Funds. The Funds are privately offered investment funds that are exempt from registration under the U.S. Investment Company Act of 1940, as amended. Each Fund imposes minimum investor qualification standards and minimum investment requirements. Investors of the Funds should review the offering documents for additional information and the subscription process.

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**Item 8 - Methods of Analysis, Investment Strategies, Risk of Loss**

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***Investment Strategy***

SLZ Capital Management seeks to maximize risk-adjusted returns in all market environments using long and short positions, primarily in publicly traded equity and credit securities. We believe positive returns are directly correlated to the change a company is experiencing and, plan to focus our investments on smaller capitalization companies that are undergoing or set to undergo a material change. Such catalysts include but are not limited to mergers or acquisitions; divestitures or spin-offs of core or non-core assets; legal or regulatory change; balance sheet restructurings or changes in corporate structure; geographic expansion; new or competitor product launches; and management turnover. We utilize a rigorous fundamental research approach that emphasizes the potential downside in the value of a

security as much as, if not more, than it does the potential upside. Our intention is to keep a highly liquid portfolio at all times with generally more long than short positions.

***Risk of Loss***

The following is a summary of the material risks associated with SLZ Capital Management's investment strategies. As a summary, it is inherently incomplete and does not attempt to describe all of the risks associated with those strategies. Investing in securities involves a risk of loss that investors should be prepared to bear.

All investments involve the risk of loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, regulatory risk and general economic risk. Although we manage the assets in a manner consistent with risk tolerances, there can be no guarantee that our efforts will be successful.

***Reliance on Adam Zimblar***

The success of the Funds of SLZ Capital Management depends on the ability of Adam Zimblar to develop and implement investment strategies to achieve the Funds' investment objectives. Should Mr. Zimblar terminate his relationship with SLZ Capital Management, die or become otherwise incapacitated for any period of time, our Clients and investors could experience losses.

***Limited Operating History***

Both the Funds and the Investment Manager are relatively new entities and have little operating history upon which investors can evaluate their performance.

***Small to Medium Capitalization Companies***

SLZ Capital Management will invest a significant portion of its assets in the stocks of companies with small to medium-sized market capitalizations. While we believe these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

***Special Situations***

SLZ Capital Management may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received.

Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell their investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss of a Fund's entire investment in such companies.

**Loans**

The Funds may invest in corporate secured or unsecured loans acquired through assignment. In the event of the insolvency of the selling institution, under the laws of the United States and the states thereof, the Funds may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the secured loan. Consequently, the Funds may be subject to the credit risk of the selling institution as well as of the borrower. Additionally, certain of the secured loans may be governed by the law of a jurisdiction other than a United States jurisdiction, which may present additional risks in the event of the insolvency of the selling institution or the borrower.

**Item 9 - Disciplinary Information**

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SLZ Capital Management has not been subject to any disciplinary action, whether criminal, civil or administrative, including regulatory, in any jurisdiction. Likewise, no persons involved in the management of SLZ Capital Management have been subject to such action.

**Item 10 - Other Financial Industry Activities and Affiliations**

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SLZ Capital Management and its employees do not maintain any outside relationships or arrangements that are material or could cause conflicts to the business of SLZ Capital Management.

**Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

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***Code of Ethics Pursuant to Rule 204A-1 of Advisers Act***

SLZ Capital Management has adopted a Code of Ethics (the "Code") to educate our employees about their fiduciary duty. All employees at SLZ Capital Management owe a duty of loyalty, fairness and good faith towards our Clients and investors, which includes an obligation to adhere not only to the specific provisions, but to the general principles that guide the Code. The Code was adopted to avoid possible conflicts of interest, avoid the inappropriate use of material, nonpublic information and ensure the propriety of our employee's trading activity.

All employees must obtain pre-clearance from the Chief Compliance Officer ("CCO") prior to executing certain trades or participating in certain investments so that a determination may be made as to whether or not the transaction could pose a conflict to the Investment Manager's. Additionally, employees must direct duplicate copies of brokerage statements to the CCO, to assist him in monitoring compliance with employee trading policies.

***Participation and Interest in Client Transactions***

Employees may hold, or buy or sell for their own accounts, the same securities that we may cause our Clients to hold, or buy or sell. Employees are required, however, to seek to ensure that they do not personally benefit from the short-term market effects of SLZ Capital Management's recommendations to the Funds, and we regularly monitor their personal transactions. To this end, the CCO will not grant any approvals for transactions in securities in which the Funds have or are contemplating a position, within a period of seven days prior to and seven days after the date that the Funds execute their transaction in such security.

We will provide a copy of the Code to any investor upon request.

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**Item 12 - Brokerage Practices**

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SLZ Capital Management is authorized to determine the broker or dealer to be used for each securities transaction in the Funds. In selecting brokers and negotiating commission rates, we will take into account the financial stability and reputation of brokerage firms, as well as the research, brokerage or other services provided by such brokers.

In selecting a broker-dealer to execute transactions, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not the practice of SLZ Capital Management to negotiate “execution only” commission rates, thus the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

**Soft Dollars**

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a “safe harbor” that permits an investment manager to use commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. SLZ Capital Management will limit the use of “soft dollars” to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e).

In the past fiscal year, SLZ Capital Management utilized soft dollars to obtain research only. Please note that when we use soft dollars to obtain research, we receive a benefit because we do not have to pay for that research using cash from other sources.

**Aggregation of Orders**

SLZ Capital Management may combine the Funds’ orders. When we do, we will generally allocate the purchases or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. We believe combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Fund than if the Fund had been the only account effecting the transaction or had completed its transaction before the other participants.

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**Item 13 - Review of Accounts**

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Adam Zimble reviews the Funds continually for overall adherence with our investment strategy.

Annually, SLZ Capital Management provides audited financial statements of each Fund to investors and monthly the administrator provides account statements. Additionally, we provide quarterly commentary letters.

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**Item 14 - Client Referrals and Other Compensation**

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Other than the products and services that we receive from broker-dealers (described above under “Item 12 - Brokerage Practices”), SLZ Capital Management does not receive any economic benefits from third parties in connection with the provision of investment advice



to our Clients. Additionally, we do not currently directly or indirectly compensate any person for investor referrals.

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**Item 15 - Custody**

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To ensure compliance with Rule 206(4)-2 under the Advisers Act, SLZ Capital Management is required to provide investors with audited financial statements for the Funds prepared by an independent accounting firm that is registered with and subject to review by the Public Company Account Oversight Board and in accordance with U.S. Generally Accepted Accounting Principles. These statements must be delivered to investors within 120 days of each Fund's fiscal year end. Investors should carefully review these audited financial statements.

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**Item 16 - Investment Discretion**

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The Funds' agreements of Limited Partnership and investment management grant SLZ Capital Management complete discretion to manage the Funds' investment portfolios, without any specific limitations.

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**Item 17 - Voting Client Securities**

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SLZ Capital Management has established proxy voting policies and procedures (a "**Proxy Voting Policy**") designed to ensure that proxies are voted in the best interest of our Clients. Our Proxy Voting Policy provides that, when voting proxies, we must follow procedures designed to identify and address material conflicts that may arise between our interests and those of our Clients.

If we determine that a conflict of interest exists as to a particular issuer, the CCO will determine whether the conflict of interest is material to the vote. If we determine it is not material, we will vote without further procedures. If we determine that it is material, we will resolve the conflict in one of several possible ways, such as by engaging a third party to recommend a vote.

Investors may request a copy of our Proxy Voting Policy, as well as relevant proxy voting records, by contacting the CCO.

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**Item 18 - Financial Information**

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SLZ Capital Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients or investors, and has not been the subject of a bankruptcy proceeding.