

BROCHURE OF
Elmbank Capital Management, LLC

A Delaware Limited Liability Company registered with the U.S. Securities and Exchange
Commission as an Investment Adviser
(IARD# 167129)

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THIS BROCHURE (“BROCHURE”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF ELMBANK CAPITAL MANAGEMENT, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (646) 475-8135.

THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT ELMBANK CAPITAL MANAGEMENT, LLC ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

The date of this Brochure is

December 6, 2013

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other documents containing information about Elmbank Capital Management, LLC.

Material Changes

This is Elmbank Capital Management, LLC's initial Brochure. There are no material changes to report regarding our advisory business.

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Part 2A – Disclosure Items about Elmbank Capital Management, LLC

Item 4. Advisory Business:

- (A) **Operational and Organizational Information:** Elmbank Capital Management, LLC (“**Elmbank**”), a Delaware limited liability company, is a U.S. Securities and Exchange Commission (“**SEC**”) registered investment adviser. Registration as an investment adviser does not imply a level of skill or training. Elmbank was formed as a Delaware limited liability company on February 25, 2013. The principal owner of Elmbank is Mazin Mirza, who is also the principal owner of Elmbank Capital GP, LLC, a Delaware limited liability company (the “**General Partner**”). The General Partner serves as general partner of certain pooled investment vehicles (as discussed in Item 4(B) below). For purposes of this Brochure, Elmbank and the General Partner will be collectively referred to as the “**Firm**.”

Elmbank is registered with the Commodity Futures Trading Commission (“**CFTC**”) as a commodity pool operator (“**CPO**”) and a commodity trading adviser (“**CTA**”) and serves in such capacities for the U.S. Fund, the Offshore Fund and the Master Fund (each, as defined below). Elmbank is also a member of the National Futures Association (“**NFA**”). Elmbank avails itself of an exemption under CFTC Rule 4.7, which provides disclosure, reporting and recordkeeping relief.

- (B) **Types of Advisory Services Offered:** The Firm serves as the sole investment adviser to Elmbank Capital Partners, LP, a Delaware limited partnership (the “**U.S. Fund**”), Elmbank Capital Partners Offshore, Ltd. (the “**Offshore Fund**”) and Elmbank Capital Partners Master Fund, L.P. (the “**Master Fund**”). The U.S. Fund and the Offshore Fund will invest all of their assets in the Master Fund through a “master-feeder” fund structure.

Unless the context otherwise requires, the U.S. Fund, the Offshore Fund and the Master Fund shall be collectively referred to throughout this Brochure as the “**Funds**”.

The U.S. Fund has initially designated Class A interests and Class B interests. The Offshore Fund has initially designated Class A shares and Class B shares.

The Firm also provides portfolio management to separately managed accounts (the “**Managed Accounts**”).

Note: For purposes of this Brochure, “**Client**” may include a Fund, investors in a Fund (who may also be referred to as “**Fund Investors**”), and Managed Accounts.

The Firm does not hold itself out as specializing in a particular type of advisory service. Please review the Firm’s investment guidelines, specified below under “Client Investment Guidelines and Parameters.”

- (C) **Client Investment Guidelines and Parameters:** Advisory services include among other things, providing advice regarding asset allocation and the selection of investments. Decisions relating to investment advice are based on an analysis of the merits of the investment involved and on the investment guidelines and restrictions of the Client. The Firm provides discretionary investment advisory services to all fee paying Client accounts. Lower fees for comparable services may be available from other sources.

The following is a general description of the principal types of trades and/or investments which the Firm currently contemplates engaging in, certain techniques that it may employ, the investment criteria that it plans to apply, and the guidelines that it has established regarding the composition of its investment portfolios. The following description is merely a summary and you should not assume that any descriptions of specific activities are intended in any way to limit the types of investment activities the Firm may undertake. The Funds were organized for the purpose of investing and trading in a wide variety of securities, financial instruments and other assets and investments, domestic and foreign, of all kinds and descriptions, whether publicly traded or privately placed. The Funds’ investment objective is to seek to generate superior risk-adjusted returns largely uncorrelated to commodity prices and credit assets and not subject to systemic risks.

- (D) **Wrap Fee Programs:** The Firm does not participate in wrap fee programs.

- (E) **Client Assets Under Management:** *(rounded to the nearest \$100,000)*

Discretionary: \$0 as of December 6, 2013.

Non-discretionary: \$0 as of December 6, 2013.

Item 5. Fees and Compensation:

- (A) *Generally:* All fees are individually negotiated. Circumstances considered when negotiating fees may include, without limitation, customary market rates, specialized guidelines, and other performance/incentive fee/allocation arrangements with the Client.

Management fees for Managed Accounts or pooled investment accounts are calculated based on a periodic percentage of the value of the assets under management (the “**Management Fee**”).

The Firm may also receive a performance-based fee or incentive fee/allocation (the “**Performance Allocation**”) which is tied to the capital appreciation within the account as evaluated at the end of each calendar year. Please refer to Item 6, below, for a more detailed description of incentive fees/allocations, and related conflicts of interest.

(B) **Payment of Fees:**

U.S. Fund: Management Fees of (i) 2.0% per year with respect to Class A interests, and (ii) 1.5% per year with respect to Class B interests, in each case, are billed quarterly, in advance as specified in the U.S. Fund’s confidential offering documents.

Offshore Fund: Management Fees of (i) 2.0% per year with respect to Class A shares, and (ii) 1.5% per year with respect to Class B shares, in each case, are billed quarterly, in advance, as specified in the Offshore Fund’s confidential offering documents (collectively along with the U.S. Fund’s confidential offering documents, “**Offering Documents**”).

The Management Fee will be calculated and payable to the Firm quarterly, in advance, as of the first day of each quarter. A pro rata Management Fee will be charged to Fund Investors on any amounts accepted during a quarter. No part of the Management Fee will be refunded in the event that a Fund Investor withdraws, whether voluntarily or involuntarily, all or any of the value in such Fund Investor’s capital account during any quarter.

Managed Accounts: Management Fees are charged as stated in the relevant investment management agreement.

Please refer to Item 6, below, for a more detailed description regarding the Performance Allocation.

(C) **Additional Fees and Expenses:**

Generally: The Firm will be responsible for its own general operating and overhead expenses associated with providing the management and investment management services. These expenses include all expenses incurred by the Firm in providing for its operating overhead, including, but not limited to, the cost of providing relevant support and administrative services (e.g., employee compensation and benefits, rent, office equipment, computer systems, insurance, utilities, telephone, secretarial and bookkeeping services, etc.). Nonetheless, the Funds and any pooled vehicle which may be organized in the future will bear their own expenses as further described in their relevant Offering Documents.

In addition, Clients will incur brokerage and other transaction costs. Clients should review Item 12, which discusses conflicts of interest related to brokerage practices.

Fund Expenses:

- **Organizational Expenses:** A Fund may, at the Firm's discretion, pay or reimburse the Firm and/or its affiliates for all expenses related to the organization and initial offering expenses of a Fund, including, but not limited to, legal and accounting fees, printing and mailing expenses and government filing fees (including blue sky filing fees). Each Fund may amortize its organizational expenses over a period of up to 60 months from the date it commences operations.
- **Operating Expenses:** The Funds and the Master Fund will each incur their own expenses. The expenses and results of operations of the Master Fund will be allocated to the Funds and any other Clients of the Master Fund, in proportion to the amounts invested by the Funds and such other Clients.

A Fund may pay or reimburse the Firm and its affiliates for: (i) all expenses incurred in connection with the ongoing offer and sale of interests, including, but not limited to, marketing expenses and documentation of performance and the admission of Fund Investors; (ii) all operating expenses of the Funds, such as tax preparation fees, governmental fees and taxes, fees to administrators, costs of communications with Fund Investors, and ongoing

legal, accounting, auditing, bookkeeping, consulting and other professional fees and expenses; (iii) all Fund research, trading and investment-related costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges); (iv) all travel expenses related to meeting with management teams, research analysts and/or consultants and/or attending any conference or seminar related to alternative investments (e.g., registration, transportation, accommodation and/or meal expenses); (v) any costs and expenses incurred by the Funds in connection with converting from a “feeder fund” as part of a master-feeder structure into a stand-alone fund; (vi) compliance costs and expenses, including, but not limited to, all fees and expenses incurred by the Firm and/or its affiliates directly in connection with SEC examinations that relate to the Firm’s activities with respect to the Funds, as well as fees and expenses associated with the completion of regulatory filings that are attributable to the Funds; (vii) director and officer liability insurance or other insurance premiums for any principal or employee of the Funds, the Firm or any of their respective affiliates; and (viii) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims, assertion of rights or pursuit of remedies, by or against the Funds, including, without limitation, professional and other advisory and consulting expenses and travel expenses.

- (D) **Fees Paid in Advance/Arrears:** Management Fees for the Funds shall be calculated and payable to the Firm quarterly in advance. Managed Accounts will pay Management Fees, in advance or in arrears, according to the terms of the applicable investment management agreement, each of which is individually negotiated

Termination of Services: Termination terms are specified in the relevant Offering Documents. Generally, services may be terminated effective as of the close of business on the last day of any fiscal year by giving the Firm not less than 30 days’ written notice after the one year anniversary of the investment, or otherwise as the Firm may determine in its sole discretion.

- (E) **Additional Compensation of Supervised Persons:** No supervised person accepts compensation for the sale of securities or other investment products.

Item 6. Performance Based Fees and Side-by-Side Management:

The Funds: In addition to the Management Fee, the Firm is compensated for its investment management services through a Performance Allocation. The Firm will receive a Performance Allocation at the close of each fiscal year equal to 20% of the Funds' net income (including realized and unrealized gains and losses and net of the Management Fee) attributable to each Fund Investor's capital account for such fiscal year (or other period), subject to a Loss Carryforward (sometimes referred to as a "high water mark") as discussed below.

Upon any withdrawal by a Fund Investor, whether voluntary or involuntary, the Performance Allocation will be allocated with respect to the amounts withdrawn. The Performance Allocation will also be allocated upon dissolution of a Fund. The Performance Allocation will be allocated in addition to, and separately from, the proportionate allocations of income and profits, or losses, to the General Partner and/or its affiliates based upon their capital accounts relative to the capital accounts of all Partners. The Firm, in its sole discretion, may waive or reduce the Performance Allocation with respect to one or more Fund Investors (including employees and affiliates of the Firm) for any period of time (all such arrangements in the form of a rebate or otherwise). The Firm, in its sole discretion, may reallocate a portion of its Performance Allocation to certain Fund Investors.

Managed Accounts: The Firm receives a mutually agreed upon periodic Performance Allocation, which typically is 20% of such Clients' net income for the period in excess of any previously recovered net losses, although the Firm reserves the right to modify such fees on a case by case basis.

Generally: In order for the Firm to receive a Performance Allocation, the Firm must achieve capital appreciation within the account. The Performance Allocation that the Firm will receive is subject to a Loss Carryforward, which means that no Performance Allocation will be earned unless the performance exceeds the previously achieved high water mark where a Performance Allocation was charged. The high water mark will be used in order to prevent a scenario whereby the Firm could receive a Performance Allocation merely for recouping prior losses. A full description of the entire fee arrangement will be disclosed to the Client in the Offering Documents or investment management agreement. Fees generally are deducted directly from the Client's account, as specified in the Offering Documents or investment management agreement. The Firm's receipt of a Performance Allocation is intended to align the Firm's interests with those of its Clients, and, to provide the Firm with a greater incentive to manage assets well. The nature of the Performance

Allocation, however, creates potential conflicts of interest among the Firm, its associated persons, and Clients.

Such fees will be structured and charged in a manner consistent with the requirements of applicable law. An incentive fee arrangement may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of a Performance Allocation. To the extent the Firm values any such securities or instruments, it has a conflict of interest as the Firm will receive higher Management Fees and Performance Allocation if it gives such securities and instruments a higher valuation. The Firm may receive increased compensation with regard to unrealized appreciation as well as realized gains in the Client's account, depending on the specific time periods and the nature of any preferred returns. Where any part of the Firm's compensation is based in part on the unrealized appreciation of securities or instruments for which market quotations are not readily available, the Firm shall disclose how such securities or instruments will be valued and the extent to which the valuation will be determined independently.

In addition, in the event that the Firm manages an account from which it collects a Performance Allocation and also manages at the same time an account from which it does not collect a Performance Allocation, the Firm has an incentive to favor accounts for which it receives the Performance Allocation because it will receive a greater profit from the accounts which are charged a Performance Allocation. Therefore, the Firm has an incentive to allocate investments that are expected to be more profitable to accounts from which it collects a Performance Allocation, on the one hand, and that are riskier on the other hand, since in both scenarios, the Firm may receive greater fees if the investment generates a positive return. Notwithstanding the foregoing, the Firm does not favor accounts that pay a Performance Allocation.

The Firm does not represent that the amount of the Performance Allocation or the manner of calculating the Performance Allocation is consistent with other performance-related fees charged by other investment advisers under the same or similar circumstances. The Performance Allocation charged by the Firm may be higher or lower than the Performance Allocation charged by other investment advisers for the same or similar services.

Item 7. Types of Clients:

The Firm provides investment advice to pooled investment vehicles and Managed Accounts. In general, the minimum initial investment in the Funds is \$1,000,000, and the minimum additional contribution is \$250,000. Generally, only persons who are both Accredited Investors (as

defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended) and Qualified Purchasers (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (“**Investment Company Act**”)) may purchase Interests.

The Firm does not impose any specific requirement to open or maintain a Managed Account, as the terms regarding each Managed Account are individually negotiated.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss:

- (A) **Methods of Analysis and Investment Strategies:** The Firm will seek to generate superior risk-adjusted returns largely uncorrelated to commodity prices and credit assets and not subject to systemic risks. The Firm will aim to capture commodity alpha cycles across the asset class with a strict commitment to non-directional, relative value strategies (specifically in the following sectors: energy, grains, softs, metals and meats). Simultaneously, the Firm will seek to limit volatility, preserve capital and maintain a goal of one day, 100% portfolio liquidity with < 70bps slippage. Directional overlays will be expressed through vanilla options to limit tail exposure, hedge portfolio positions and enhance risk/reward scenarios.

The Firm seeks to utilize relative value trades to capitalize on short term anomalies and market dislocations. The Firm will seek to develop its relative value investment ideas through five basic analyses: macro, fundamental, event, internal data gathering and technical. Additionally, the Firm believes that fundamental analysis is only complete after examining both the physical supply/demand picture, as well as, behavioral scenarios. Specifically, the Firm believes that in order to develop a complete thesis, it must examine passive money presence and identify its size and position in the underlying commodity markets. While the Funds will have a broad mandate allowing for the investment in foreign exchange (“**FX**”) and interest rates, it is generally expected that the Funds’ investment universe will be 70-100% commodities, 0-15% FX and 0-15% interest rates. The Firm intends to develop two to four themes, with three to five sub themes, with general investment horizons of intraday - four months.

The Firm believes that alpha is cyclical, rotating through the different commodity sectors, and that returns are usually maximized when strategies are deployed across these sectors in a liquid, time and market-tested relative value portfolio.

The Firm will aim to invest the Funds' assets only in commodity futures, swaps and vanilla options (no credit assets, complex derivatives or physical commodities) traded on the most liquid and transparent global exchanges, generally targeting returns between 15%-25% net of fees, annually.

Trading futures and commodities involves inherent leverage. Therefore, the Firm will endeavor to enforce stringent risk controls based on quantitative risk metrics and qualitative practices at both position (soft and hard stop limits) and portfolio levels, in an effort to mitigate downside risks.

The Firm wishes to create a culture of communication based on best in class reporting, technology, transparency and access to the investment team, aligning itself with high quality, longstanding investors and delivering a strong overall product.

Investing in commodities, futures and securities involves risk of loss that Clients should be prepared to bear.

(B) Risks Associated with the Firm's Investment Strategies:

Fund Risk Factors:

Withdrawal of Capital: A Fund Investor's ability to withdraw funds from the Funds is restricted in accordance with the withdrawal provisions contained in the Offering Documents. In addition, substantial withdrawals by investors within a short period of time could require the Funds to liquidate positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the Funds' assets and/or disrupting the Funds' investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Funds' ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

No Distributions: The General Partner does not intend to make distributions to the Fund Investors, but intends instead to reinvest substantially all Fund income and gain, if any. Cash that might otherwise be available for distribution will also be reduced by payment of Fund obligations, payment of Fund expenses (including fees payable and expense reimbursements to the General Partner) and establishment of appropriate reserves. As a result, if the Funds are profitable, Fund Investors in all likelihood will be credited with Fund net income, and will incur the

consequent income tax liability (to the extent that they are subject to income tax), even though Fund Investors receive little or no Fund distributions.

Operating Deficits: The expenses of operating the Funds (including the Management Fee) may exceed their income, thereby requiring that the difference be paid out of the Funds' capital, reducing the Funds' investments and potential for profitability.

Limited Liquidity of Interests: An investment in the Funds involves substantial restrictions on liquidity and its interests ("**Interests**") are not freely transferable. There is no market for the Interests in the Funds, and no market is expected to develop. Additionally, transfers are subject to the consent of the General Partner, which consent may be granted or withheld in the General Partner's sole discretion. Consequently, Fund Investors will be unable to liquidate their Interests except by withdrawing from the Funds in accordance with the relevant Offering Documents. Fund Investors may be unable to liquidate their investment promptly in the event of an emergency or for any other reason. Although a Fund Investor may attempt to increase its liquidity by borrowing from a bank or other institution, Interests may not readily be accepted as collateral for a loan. In addition, the transfer of an Interest as collateral or otherwise to achieve liquidity may result in adverse tax consequences to the transferor.

Master-Feeder Structure; Concentration of Investors; Role of General Partner: The U.S. Fund and Offshore Fund will invest all of their assets through the Master Fund. From time to time, other persons or entities may also invest in the Master Fund. The "master-feeder" fund structure presents certain risks to investors in the Funds. For example, a smaller feeder fund investing in the Master Fund may be materially affected by the actions of a larger feeder fund investing in the Master Fund. If a larger feeder fund makes a withdrawal from the Master Fund, the remaining feeder funds may experience higher pro rata operating expenses, thereby producing lower returns. The Master Fund will be a single entity and creditors of the Master Fund may enforce claims against all assets of the Master Fund. In addition, as noted herein, the General Partner acts as the general partner of the Master Fund, as well as the general partner of the U.S. Fund. As a result of these dual roles, in the event the General Partner is involved in dissolution proceedings in connection with its activities for the U.S. Fund, this may also trigger the dissolution of the Master Fund.

No Minimum Size of the Funds: The Funds may begin or

continue operations without attaining or maintaining any particular level of capitalization. At low asset levels, the Funds may be unable to make their investments as fully as would otherwise be desirable or to take advantage of potential economies of scale, including the ability to obtain the most timely and valuable research and trading information from securities brokers. It is possible that even if the Funds operate for a period with substantial capital, investors' withdrawals could diminish the Funds' assets to a level that does not permit the most efficient and effective implementation of the Funds' investment program. As a result of losses or withdrawals, the Funds may not have sufficient capital to diversify their investments to the extent desired or currently contemplated.

Concentration of Investments: The Firm implements the Funds' investment program in a manner which, in light of investment considerations, market risks and other factors, it believes will provide the best opportunity for attractive risk-adjusted returns in the value of the Funds' assets. The Offering Documents do not formally limit the amount of the Funds' assets that may be invested in a single foreign exchange position, other asset class, exchange or jurisdiction. The concentration of the Funds' portfolio in any manner described above would subject the Funds to a greater degree of risk with respect to the failure of one or a few investments, or with respect to economic downturns in relation to an individual foreign exchange position, other asset class, exchange or jurisdiction.

General Risk Factors:

No Operating History: The Firm and its affiliates are newly-formed entities that have no operating history upon which prospective investors may evaluate the Firm's future performance. Although Mazin Mirza has experience with investments of the type the Firm intends to make, any prior performance by Mr. Mirza is not necessarily indicative of results that he may achieve with respect to the Funds or Managed Accounts. As such, there can be no assurances that the Firm will be able to implement its investment strategy or achieve its investment objectives.

Investment Expenses: The investment expenses (e.g., expenses related to the investment and custody of Client assets, such as brokerage commissions, custodial fees and other trading and investment charges and fees) as well as other Client fees may, in the aggregate, constitute a high percentage relative to other investment entities. Clients will bear these costs regardless of their

profitability.

Supervision of Trading Operations: The Firm, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in Client accounts to ensure compliance with their objectives. Despite the Firm's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in Client accounts.

Accuracy of Public Information: The Firm may select investments for Clients, in part, on the basis of information and data filed by or with various government agencies. Although the Firm evaluates certain such information and data and sometimes seeks independent corroboration when the Firm considers it is appropriate and when it is reasonably available, the Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

Short Sales: The Firm may sell short a variety of assets, including taking short positions in commodities, foreign exchange and certain other assets. Short selling involves the sale of an asset or position that the Client does not own and must borrow in order to make delivery in the hope of purchasing the same asset or position at a later date at a lower price. In order to make delivery of the relevant assets to their purchaser(s), the Client must borrow the same assets from a third-party lender. The Client subsequently returns the borrowed assets to the lender by delivering to the lender the assets it previously owned or by purchasing the relevant assets in the open market. The Client must generally pledge cash with the lender equal to the market price of the borrowed assets. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed assets. The lender generally pays the Client a fee for the use of the Client's cash. This fee is based on prevailing interest rates, the availability of the particular asset for borrowing and other market factors.

Theoretically, assets sold short are subject to unlimited risk of loss because there is no limit on the price that an asset may appreciate before the short position is closed. In addition, the supply of assets that can be borrowed fluctuates from time to time. The Client may be subject to substantial losses if a lender demands return of the lent assets and an alternative lending source cannot be found.

Investments in Assets Believed to Be Undervalued: The Firm's

investment program contemplates that a portion of Client portfolios may be invested in assets that the Firm believes to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also may involve a high degree of financial risk and may result in substantial losses. Returns generated from the Client's investments may not adequately compensate for the business and financial risks assumed. Additionally, there can be no assurance that investors will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, the Client may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of the Client's funds would be committed to the investments made, thus possibly preventing the Client from investing in other opportunities.

Leverage: When deemed appropriate by the Firm and subject to applicable regulations as well as any limitations contained in the applicable Offering Documents, the Firm may utilize leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying assets while giving the purchaser the full benefit of movement in the market price of those underlying assets. Trading in commodities and futures often contemplates such "inherent" leverage. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Client purchases assets with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. Additionally, the level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the Client. If the interest expense on this leverage were to exceed the net return on the investments made with borrowed funds, the Client's use of leverage would result in a lower rate of return than if the Client were not leveraged.

Foreign Exchange/Foreign Currency: The Firm may trade in foreign exchange and foreign exchange options, as well as forwards and non-deliverable forwards in currencies of G10 and emerging market economies. Currency trading differs from most of the trading in the U.S. of stocks, futures or options, in that it does not typically occur on regulated exchanges, and clearing

houses do not guarantee the execution of trades. Instead, most participants in currency markets trade with each other based upon various credit arrangements. The currency trading markets are believed to be the largest financial markets globally. Participants include governments and their central banks, large commercial banks, multi-national corporations, currency traders and many other financial institutions. Non-deliverable forwards are a subset of forwards that are cash-settled, short-term forward contracts of a non-convertible foreign currency. Movements in one foreign currency versus the U.S. Dollar, or movements between foreign currencies in a cross-currency contract, arise from a variety of factors. Among such factors are: interest rates, governmental and trade deficits, investor sentiment, external events (e.g., crises such as war, political instability, natural disasters or terrorist attacks) and general economic conditions.

Cash Flow: The Firm may trade options on foreign exchange. Foreign exchange gains and losses are marked-to-market daily for purposes of determining margin requirements. Option positions generally are marked-to-market daily, and short option positions will require additional margin if the market moves against the position. There may be periods in which positions on both sides must be closed down prematurely due to short-term cash flow needs. Were this to occur during an adverse move in a spread or straddle relationship, a substantial loss could occur.

Volatility of Currency Prices: The profitability of Client portfolios substantially depends upon the Firm correctly assessing the future price movements of currencies. However, price movements of currencies and the foreign exchange markets in which the Clients invest are highly volatile, and are difficult to predict accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; a wide range of national and international economic, political, competitive and other conditions (including acts of terrorism and war); and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. There is no guarantee that the Firm will be successful in accurately predicting currency price and interest rate movements. Theoretically, currencies and other portfolio assets are subject to unlimited risk of loss (similar to the risk of holding a naked short within the context of a securities portfolio) because there is no limit on the price that a currency or other such asset may appreciate or depreciate before the position is closed. Accordingly, Fund Investors are subject to very significant risks,

including loss of their entire investment.

Exchange Rate Fluctuations: Investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Clients will generally value their holdings and make distributions, if any, in U.S. Dollars. Thus, changes in currency exchange rates adverse to the U.S. Dollar may adversely affect the value of such holdings. Among the factors that may affect currency values are trade balances, the appropriateness of interest rates, the shape of the yield curve, the degree of central bank independence and credibility, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Foreign Exchange Markets May Be Illiquid At Certain Times: Several nations or groups of nations have in the past imposed trading limits or restrictions on the amount by which the price of certain foreign exchanges may vary during a given time period and the volume which may be traded; they have also imposed restrictions or penalties for carrying positions in certain foreign currencies over time. Such limits may prevent trades from being executed during a given trading period. Such restrictions or limits could prevent the Firm from promptly liquidating unfavorable positions and, therefore, could subject Clients to substantial losses. In addition, even in cases where foreign exchange prices have not become subject to governmental restrictions, the Firm may be unable to execute trades at favorable prices if the liquidity of the market is not adequate. It is also possible for a nation or group of nations to restrict the transfer of currencies across national borders, suspend or restrict the exchange or trading of a particular currency, issue entirely new currencies to supplant old ones, order immediate settlement of particular currency obligations, or order that trading in a particular currency be conducted for liquidation only. The Firm may trade on certain non-U.S. markets, which may be substantially more prone to periods of illiquidity than the U.S. markets due to a variety of factors.

Foreign Transactions Risks Generally: Trading on interbank markets outside the U.S. is not regulated by any U.S. governmental agency and may involve certain risks not applicable to trading on U.S. exchanges. Trading on foreign markets involves the additional risks of expropriation, burdensome or confiscatory taxation, moratoriums, investment controls or political or diplomatic events, which might adversely affect Clients' trading activities. Trading on foreign markets is also subject to the risk of

changes in the exchange rate between U.S. Dollars and the currencies in which such contracts are settled, which can have an effect on profits or losses even after a position has been closed out. Additionally, the legal recourse in the event of default or trade dispute may be available only before foreign courts or other adjudicatory bodies under foreign law and rules, and such recourse may be severely limited and much more expensive than it would be in a forum located within the U.S. under U.S. or domestic state law. Furthermore, such trading also may be subject to whatever regulatory provisions are applicable to transactions effected outside the U.S., whether on foreign exchanges or otherwise.

Options and Other Derivative Instruments: The Firm may invest in options and derivative instruments, including buying and writing puts and calls. The prices of many derivative instruments, including many options and swaps, are highly volatile. The Firm does not currently trade naked options, but may elect to do so at any time. The value of options and swap agreements depend primarily upon the price of the indexes, commodities, currencies or other assets underlying them. Price movements of options contracts and payments pursuant to swap agreements are also 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. Additionally, the Client is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of expected volatility of the underlying currencies or other assets. Accordingly, options on highly volatile currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying commodity, index, currency or other instrument or asset at the exercise price.

If a put or call option purchased by the Client were permitted to expire without being sold or exercised, the Client would lose the

entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the Client at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the Client at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile, and there is a significant outstanding short interest. These conditions exist in many financial instruments, from time to time. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the Client of all or a substantial portion of its assets.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Hedging Transactions: Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, and other derivatives are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in commodity, currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in

the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for Clients to hedge against a fluctuation at a price sufficient to protect their assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile instruments or assets may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices.

The Firm is not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedges are implemented, their success is dependent on the Firm's ability to correctly predict movements in the direction of commodity, currency and interest rates and the equity markets or sectors thereof.

Market or Interest Rate Risk: The Firm may invest assets in fixed income securities and instruments. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If a Client holds a fixed income security to maturity, the change in its price before maturity may have little impact on performance. However, if a Client has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Client.

Risks of Trading Futures: The Firm intends to invest in futures. Trading futures is a highly risky strategy. Whenever Clients purchase a particular future, there is a possibility that the Client may sustain a total loss of its purchase price. The prices of futures are, in general, much more volatile than the prices of securities, such as stocks and bonds. As a result, the risk of loss in trading futures is substantially greater than in trading those securities. The prices of futures react strongly to the prices of the underlying commodities. The prices of these underlying products, in turn, rise and fall based on changes in interest rates, international balances of trade, changes in governments, wars, weather events and a host of other factors that are entirely beyond the Firm's control and very difficult (and perhaps impossible) to predict.

Investments in Non-U.S. Investments: The Firm expects to invest and trade a portion of Client portfolios in assets not listed on U.S. exchanges, which will give rise to risks relating to political, social and economic developments abroad, as well as risks

resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign assets often trade in currencies other than the U.S. dollar, and the Client may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Client's Net Asset Value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Client's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Client's foreign currency holdings. If the Client enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Client enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Risk of Default or Bankruptcy of Third Parties Generally: The Firm will engage its Clients in transactions in commodities and other financial instruments and assets that involve counterparties. Under certain conditions, the Client could suffer losses if a counterparty to a transaction were to default or if the market for certain commodities or other financial instruments or assets were

to become illiquid. In addition, the Client could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Client does business, or to which commodities or other financial instruments or assets have been entrusted for custodial purposes. For example, if a Client's futures commission merchant, custodian or other broker(s) or custodian(s) were to become insolvent or file for bankruptcy, the Client could suffer significant losses with respect to any commodities and other financial instruments and assets held by such firm.

Insolvency of Futures Commission Merchant: As is required of futures commission merchants, the futures commission merchant is supposed to separate all Client funds in compliance with CFTC regulations. If the assets of the Client were not so segregated, the Client would be subject to the risk of the failure of the futures commission merchant. Even given proper segregation, in the event of insolvency of a futures commission merchant, the Client may be subject to a risk of loss of its funds and would be able to recover only a pro rata share (together with all other commodity customers of such a futures commission merchant) of assets, such as U.S. Treasury bills, specifically traceable to the Client's account. In commodity broker insolvencies, customers have, in fact, been unable to recover from the broker's estate the full amount of their "customer" funds. In addition, under certain circumstances, such as the inability of another client of the futures commission merchant or the futures commission merchant itself to satisfy substantial deficiencies in such other client's account, a client may be subject to a risk of loss of his funds on deposit with his futures commission merchant, even if such funds are properly segregated. In the case of any such bankruptcy or client loss, a client might recover, even in respect of property specifically traceable to the client, only a pro rata share of all property available for distribution to all of the futures commission merchant's clients.

- (C) **Security-Specific Risks:** Please see the response to Item 8(B), above.

Item 9. Disciplinary Information:

There are no legal or disciplinary events in which the Firm or any supervised persons have been involved that are material to a Client's or prospective Client's evaluation of the Firm's advisory business or management, as specified below:

(A) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the Firm or a management person:

1. Was convicted of, or pled guilty or nolo contendere (“no contest”) to: (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses. **Not Applicable (“N/A”)**
2. Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses. **N/A**
3. Was found to have been involved in a violation of an investment-related statute or regulation. **N/A**
4. Was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order. **N/A**

(B) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which Firm or a management person:

1. Was found to have caused an investment-related business to lose its authorization to do business. **N/A**
2. Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:
 - (a) Denying, suspending, or revoking the authorization of the Firm or a management person to act in an investment-related business. **N/A**
 - (b) Barring or suspending the Firm’s or a management person’s association with an investment-related business. **N/A**

- (c) Otherwise significantly limiting the Firm's or a management person's investment-related activities. **N/A**
 - (d) Imposing a civil money penalty of more than \$2,500 on the Firm or a management person. **N/A**
- (C) A self-regulatory organization (SRO) proceeding in which the Firm or a management person:
 - 1. Was found to have caused an investment-related business to lose its authorization to do business. **N/A**
 - 2. Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. **N/A**

Item 10. Other Financial Industry Activities and Affiliations:

- (A) The Firm and its management persons are neither registered, nor do they have any applications pending, with a broker-dealer or registered representative of a broker-dealer.
- (B) Elmbank is registered with the CFTC as a CPO and a CTA and serves in such capacities for the U.S. Fund, the Offshore Fund and the Master Fund. Elmbank is also a member of the NFA. Elmbank avails itself of an exemption under CFTC Rule 4.7, which provides disclosure, reporting and recordkeeping relief.
- (C) Neither the Firm nor any of its management persons has a relationship or arrangement that is material to its advisory business or to its Clients with any related persons listed below, except as disclosed below.
 - 1. Broker-dealer, municipal securities dealer, or government securities dealer or broker. **N/A**
 - 2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund", and offshore fund). **N/A, except as discussed in Item 4.**

3. Other investment adviser or financial planner. N/A
4. Futures commission merchant, commodity pool operator, or commodity trading advisor. **Please refer to Item 10(B).**
5. Banking or thrift institution. N/A
6. Accountant or accounting firm. N/A
7. Lawyer or law firm. N/A
8. Insurance company or agency. N/A
9. Pension consultant. N/A
10. Real estate broker or dealer. N/A
11. Sponsor or syndicator of limited partnerships. N/A

- (D) The Firm does not recommend or select other investment advisers for Clients.

Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading, and Privacy Policy:

A copy of the code of ethics (“**Code of Ethics**”) is available upon request to Clients and prospective Clients.

- (A) The Code of Ethics is based upon the premise that all of the Firm’s personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of the Firm; (3) observe the Firm’s personal trading policies so as to avoid conflicts of interests between the Firm and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Firm’s Chief Compliance Officer and that personnel who violate the Code of Ethics are subject to sanctions by the Firm, up to and including termination.

Other Activities of the Firm and its Affiliates: Neither the Firm, nor any affiliate or employee, is required to manage Client accounts as its sole and exclusive function. Each of them may engage in other business activities, including competing ventures

and/or other unrelated employment. In addition to managing Client accounts, the Firm and its respective affiliates or employees may provide investment advice to other parties and may manage other accounts in the future.

Trade Error Policy: The Firm has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, the Firm will use reasonable efforts to correct the error. If the error cannot be corrected, the Firm will use reasonable efforts to make an adjustment in a manner it considers reasonable under the circumstances in its sole discretion, and which may result in no adjustment being made. The Firm will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.

Privacy Policy: The Firm has adopted a privacy policy that explains the manner in which the Firm collects, utilizes and maintains nonpublic personal information about Clients, as required under federal legislation.

Collection of Information and Disclosure of Nonpublic Personal Information: To provide Clients with superior service, the Firm may collect several types of nonpublic personal information about Clients, including:

- Information from forms that Clients may fill out, such as subscription forms, questionnaires and other information provided by Clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications;
- Information Clients may give orally;
- Information about transactions within the Firm, including account balances, investments and withdrawals;
- Information about the amount Clients have invested, such as initial investment and any additions to and withdrawals; and
- Information about any bank accounts Clients may use for transfers to or from Client accounts.

The Firm does not sell or rent Client information. The Firm uses this information: to conduct business with its Clients; to develop or enhance its products and services; to understand the financial needs of its Clients so that the Firm can provide such Clients with quality products and superior service, and; to protect and administer its Clients' records, accounts and funds. The Firm does not disclose nonpublic personal information about its Clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, the Firm may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Firm; this may include attorneys, accountants, auditors and other professionals. The Firm may also share information in connection with the servicing or processing of transactions;
- To affiliated companies in order to provide Clients with ongoing personal advice and assistance with respect to the products and services Clients have purchased through the Firm and to introduce Clients to other products and services that may be of value to such Clients;
- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of a Client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Client.

Protection of Information: The Firm's policy is to require that all employees, financial professionals and companies providing services on its behalf keep Client information confidential.

The Firm maintains safeguards that comply with federal standards to protect Client information. The Firm restricts access to the personal and account information of Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Firm shares Client information must agree to follow appropriate standards of security and confidentiality. The Firm's privacy policy applies to both current and former Clients. The Firm may disclose nonpublic

personal information about a former Client to the same extent as for a current Client. Please be advised that Clients have the right to “opt out” of the information sharing as set forth above.

Changes to Privacy Policy: The Firm may make changes to its privacy policy in the future. The Firm will not make any change affecting an individual without first sending that individual a revised privacy policy describing the change.

- (B) *Participation or Interest in Client Transactions, and Personal Trading:* The Firm recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and the Firm requires that all such transactions be carried out in a way that does not endanger the interest of any Client. At the same time, the Firm believes that if investment goals are similar for Clients and for employees of the Firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, the Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors, partners, members and employees (hereafter in this Item 11, “**Employees**”) for their personal accounts. In order to monitor compliance with its personal trading policy, the Firm has adopted a quarterly securities transaction reporting system for all of its Employees. For purposes of the policy, an Employee’s “personal account” generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Firm’s Client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.
- (C) The Firm and/or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) recommended to Clients. Please refer to Item 11(B) above for additional information regarding the Firm’s practice in this respect, a discussion of the conflicts of interest this may present and generally how the Firm addresses such conflicts that may arise in connection with personal trading.
- (D) The Firm and/or its related persons may recommend securities to Clients, or buy or sell securities for Clients, at or about the same time as buying or selling the same securities for the Firm’s own (or the related person’s own) account. Please refer to Item 11(B) above for additional information, including, a description of the

Firm's practice in this respect, and a discussion of the conflicts of interest this may present and generally how the Firm addresses such conflicts that may arise.

Item 12. Brokerage Practices:

The factors that the Firm considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation are described below:

- (A) **Factors Considered in Selecting or Recommending Broker-Dealers:** Transactions for Clients are executed through brokers selected by the Firm in its sole discretion and without the consent of Clients, unless, if specified in the applicable investment management agreement, a particular Client is authorized to instruct the Firm to execute some or all transactions for its account with or through one or more brokers designated by such Client (please see Item 12(A)3(b) below). In placing portfolio transactions, the Firm will seek to obtain best execution, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected and the efficiency of error resolution, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; special execution capabilities; clearance; settlement; reputation; on-line pricing; block trading and block positioning capabilities; willingness to execute related or unrelated difficult transactions in the future; order of call; on-line access to computerized data regarding Clients' accounts; performance measurement data; the quality, comprehensiveness and frequency of available research and related services considered to be of value; the availability of stocks to borrow for short trades; and the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria.
1. **"Soft Dollar" Policy:** The term "soft dollars" refers to the receipt by an investment manager of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment manager's Clients. Soft dollars accumulated by the broker for the investment manager's use may then be used to pay for various products and services, including research and brokerage services. The availability of soft dollars from certain

brokers presents investment managers with significant conflicts of interest, and may give incentives for investment managers to disregard their obligations to Clients (including, without limitation, their best execution obligations) when directing orders.

The Firm may use “soft dollars” generated by the Fund’s securities transactions to pay for research, products and services that fall within the Section 28(e) safe harbor. Section 28(e) of the Exchange Act (“**Section 28(e)**”) provides a “safe harbor” to those investment managers who use soft dollars to obtain investment research and brokerage services. In order to qualify for the safe harbor, the research must provide assistance to the investment manager in its performance of its investment decision-making responsibilities. Brokerage services must relate to the execution, clearance and settlement of securities transactions in order to fall within the safe harbor provided by Section 28(e).

Products and services provided by broker-dealers with soft dollars may be utilized by the Firm and its affiliates in connection with the services they offer for other Clients. Likewise, products and services provided by broker-dealers with soft dollars generated by other Clients may be utilized by the Firm in performing its services for the Funds. The Firm’s receipt of information, products or services paid for with soft dollars are in addition to, and not in lieu of, the Management Fee and Performance Allocation, and such fees are not reduced as a consequence of the receipt of such products or services purchased with soft dollars.

- (a) When the Firm uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Firm receives a benefit because the Firm does not have to produce or pay for the research, products or services. **Please refer to Item 12(A)(1).**
- (b) The Firm may have an incentive to select or recommend a broker-dealer based on the Firm’s interest in receiving the research or other products or services, rather than on Clients’ interest in receiving most favorable execution. **Please refer to Item 12(A)(1).**

- (c) The Firm may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up). **Please refer to Item 12(A)(1).**
- (d) The Firm may use soft dollar benefits to service all Clients or only those Clients that paid for the benefits. The Firm may or may not seek to allocate soft dollar benefits to Clients proportionately to the soft dollar credits the accounts generate. **Please refer to Item 12(A)(1).**
- (e) Regarding the types of products and services the Firm or any related persons acquired with Client brokerage commissions (or markups or markdowns) within the Firm's last fiscal year were, please refer to Item 12(A)(1).
- (f) Regarding the procedures the Firm used during its last fiscal year to direct transactions to a particular broker-dealer in return for soft dollar benefits the Firm received, please refer to Item 12(A)(1).

2. Brokerage for Client Referrals:

- (a) The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce Clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by Clients. As a result, the Firm may have an incentive to select or recommend a broker based on the Firm's interest in receiving Client referrals rather than on Clients' interest in receiving most favorable execution. Because such referrals, if any, are likely to benefit the Firm but will provide an insignificant (if any) benefit to Clients, the Firm will have a conflict of interest with Clients when allocating Client brokerage business to a broker who has referred a Client. The Firm will not allocate brokerage business to a referring broker unless the Firm determines in good faith that the commissions payable to such broker are not materially higher

than those available from non-referring brokers offering services of substantially equal value.

- (b) During the Firm's last fiscal year it did not direct Client transactions to a particular broker-dealer in return for Client referrals.

3. Directed Brokerage:

- (a) The Firm does not recommend, request, or require a Client to direct the Firm to execute transactions through a specified broker-dealer.
- (b) The Firm does not permit a Client to direct Firm to execute transactions through a specified broker-dealer.

- (B) **Aggregation of Orders:** Transactions implemented by the Firm for accounts may be effected independently or on an aggregated basis. The Firm may decide to purchase or sell the same investments for several Clients at approximately the same time. The Firm will aggregate orders when it believes aggregation may prove advantageous to Clients. Typically, the process of aggregating Client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among Clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and execution cost and will be allocated among the Firm's Clients in proportion to the purchase and sale orders placed for each Client account on any given day. When the Firm aggregates Client orders for the purchase or sale of investments, including investments in which its associated person(s) may invest, the Firm will do so in a fair and equitable manner. It should be noted that the Firm does not receive any additional compensation or remuneration as a result of aggregation.

Allocation of Trades: The Firm may at times determine that certain investments will be suitable for acquisition by Clients and by other accounts managed by the Firm, possibly including the Firm's own accounts or accounts of an affiliate. If that occurs, and the Firm is not able to acquire the desired aggregate amount of such investments on terms and conditions which the Firm deems advisable, the Firm will endeavor in good faith to allocate the limited amount of such investments acquired among the various

accounts for which the Firm considers them suitable. The Firm may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including but not limited to allocations based on relative account sizes, the degree of risk involved in the investments acquired, and the extent to which a position in such investments is consistent with the investment policies and strategies of the various accounts involved.

Item 13. Review of Accounts:

- (A) Clients managed by the Firm are typically reviewed on a quarterly basis by the Firm's chief compliance officer to assure conformity with Client objectives and guidelines. In addition, all accounts are reviewed in light of emerging trends and developments as well as market volatility. Managed Account Clients are responsible for keeping the Firm informed as to any changes in their personal financial condition. The Firm cannot make any material changes to a client's portfolio if it is not informed of the Client's particular developments.
- (B) The calendar is the main triggering factor of a review of an account, although more frequent reviews may also be triggered by changes in a Client's circumstances or by unusual market activity.
- (C) Reports showing performance are sent to Clients monthly by the Firm. In addition, realized gains/losses, interest and dividends earned are reported to Clients annually. Each Fund Investor also will receive the following: (i) annual financial statements of the Funds, audited by an independent certified public accounting firm; (ii) a quarterly letter from the Firm discussing the results of the Funds; (iii) monthly unaudited performance information; (iv) copies of such Fund Investor's Schedule K-1 to the Funds' tax returns; and (v) other periodic reports or letters as determined by the Firm in its sole discretion. Additionally, within 120 days of the calendar year-end of the Funds, Fund Investors shall receive U.S. generally accepted accounting principles ("GAAP") compliant audited financial statements.

Item 14. Client Referrals and Other Compensation:

- (A) The Firm does not receive, from any non-Client, any economic benefit associated with advising Clients.
- (B) The Firm may use independent third party solicitors to refer Clients and/or investors to the Funds and pay a portion of its

advisory fees to such solicitors, in accordance with the Investment Advisers Act of 1940, as amended. The Firm may engage underwriters, brokers, dealers or finders to assist in the offering of interests in the Funds. Except for commissions on brokerage transactions (which will be paid by Clients), the Firm will pay (and will not charge Clients) fees and commissions that may be payable to any such brokers or finders for assisting in the offering or sale of interests in the Funds.

Item 15. Custody:

The Firm maintains Client funds and securities over which it has custody at a qualified custodian. As stated above in Item 13, Review of Accounts, the Firm's and Funds' qualified custodian will send monthly account statements directly to Clients which Clients should carefully review. Clients are urged to compare statements that are received from the qualified custodian to statements received directly from the Firm. The Funds' auditor sends annual audited financial statements, prepared in accordance with GAAP, to investors in the Funds within 120 days after the Funds' calendar year end.

Item 16. Investment Discretion:

The Firm has discretionary investment authority over Client assets that it manages.

Item 17. Voting Client Securities – Proxy Policy:

(A) The Firm monitors corporate actions of those investments it has purchased on behalf of its Clients. Receipt of proxy materials is logged into a proxy control sheet. Proxy votes will generally be submitted electronically but may be submitted by mail. A record of the proxy votes cast will be made and retained by the Firm. Clients can obtain information on how the proxies were voted and a detailed description of the Firm's policies and procedures regarding proxy voting by requesting such information from the chief compliance officer.

The Firm understands and appreciates the importance of proxy voting. To the extent that the Firm has discretion to vote the proxies of Clients, the Firm will vote any such proxies in the best interests of Clients and the procedures outlined below.

In evaluating how to vote a proxy, the Firm will first determine whether there is a conflict of interest related to the proxy in question between the Firm and its Clients. This examination will

include (but will not be limited to) an evaluation of whether the Firm (or any affiliate of the Firm) has any relationship with the company (or an affiliate of the company) to which the proxy relates outside of an investment in such company by a Client. If a conflict is identified and deemed “material” by the Firm, the Firm will determine whether voting in accordance with these proxy voting guidelines is in the best interests of affected Clients (which may include utilizing an independent third party to vote such proxies). With respect to material conflicts, the Firm will determine whether it is appropriate to disclose the conflict to affected Clients and give Clients the opportunity to vote the proxies in question themselves, if applicable

- (B) The Firm has authority to vote proxies, as stated above.

Item 18. Financial Information:

- (A) The Firm does not solicit prepayment of more than \$1,200 in fees per Client six months or more in advance.
- (B) The Firm has discretionary authority over and/or custody of Client funds or securities. The Firm does not believe that there are any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to Clients.
- (C) The Firm has not been the subject of a bankruptcy petition during the past ten years.

Item 19. Requirements for State-Registered Advisers: Not required.

Part 2B – BROCHURE SUPPLEMENT FOR SUPERVISED PERSONS

Cover page for Mazin Mirza
(CRD # 2924902)

Elmbank Capital Management, LLC

A Delaware limited liability company

1250 Broadway, 36th Floor
New York, New York 10001

Tel. (646) 475-8135

This supplement provides information about Mazin Mirza that supplements the Elmbank Capital Management, LLC brochure (our “Brochure”). You should have received a copy of our Brochure. Please contact Mazin Mirza at (646) 475-8135 if you did not receive our Brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Mirza is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience:

Mazin Mirza, born 1975

Mazin Mirza is the managing member of Elmbank Capital Management, LLC (the “**Firm**”). He is in charge of the general management of the Firm and oversees the day-to-day trading, risk, operations, marketing, compliance and technology.

Educational Background:

Mr. Mirza graduated from the Massachusetts Institute of Technology in 1997 with a Bachelor of Science in Mechanical Engineering and a Minor in Writing.

Business Background:

Mr. Mirza has over 15 years of experience in commodities and fixed income trading. Prior to forming the Firm, Mr. Mirza was most recently global head of oil derivatives at Lehman Brothers and head of agricultural trading, managing a team of 7 trading professionals across multiple time zones.

Mr. Mirza joined Lehman Brothers in 2007 from Jefferies Group LLC, where he was the global head of commodity/index derivatives. During his time at Jefferies, Mr. Mirza traded over 30 different commodities.

Prior to Jefferies, Mr. Mirza worked at J. Aron & Co./Goldman Sachs in the commodity trading business unit. At Goldman Sachs, he was most recently head of structured, correlation and hybrid commodity index trading (GSCI), managing assets across energy, grains, softs, metals and meats.

Item 3. Disciplinary Information:

Mr. Mirza has not been involved in any legal or disciplinary events material to a client’s or prospective client’s evaluation of Mr. Mirza.

Item 4. Other Business Activities:

- (A) Mr. Mirza is a principal and an associated person of the Firm, which is registered with the Commodity Futures Trading Commission (“**CFTC**”) as a commodity pool operator and a commodity trading adviser. The Firm avails itself of an exemption under CFTC Rule 4.7, which provides disclosure, reporting and recordkeeping relief.

- (B) Mr. Mirza is not actively engaged in any business or occupation for compensation not discussed in response to Item 4(A), above, that provides a substantial source of Mr. Mirza's income or involves a substantial amount of Mr. Mirza's time.

Item 5. Additional Compensation:

Mr. Mirza does not receive, from any non-client, any economic benefit associated with advising clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, client referrals or new accounts (not including salary)).

Item 6. Supervision:

Mr. Mirza understands that he owes a fiduciary duty to clients and therefore must serve the interests of clients with a high standard of care and diligence in accordance with the Firm's internal policies and procedures. He recognizes that he must be particularly sensitive to situations in which the interests of a client may be in conflict, either directly or indirectly, with his own or those of Firm. Mr. Mirza takes his compliance obligations seriously. He may consult with the Firm's external legal counsel or external compliance and operational support consultants (if any) as needed.

Item 7. Requirements for State-Registered Advisers: Not Applicable.