

## DISCLOSURE BROCHURE

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# Darian Capital Management, LLC

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This brochure provides information about the qualifications and business practices of Darian Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (307) 392-4404. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Darian Capital Management, LLC is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

Registration with the SEC or any state as an investment adviser does not imply that Darian Capital Management, LLC or any principal employees of Darian Capital Management, LLC possess a particular level of skill or training in the investment advisory or any other business.

## Item 2-Material Changes

Darian Capital Management, LLC is a new registrant. Therefore, this is its initial “Disclosure Brochure” with the SEC. Future Disclosure Brochure filings will address “material changes” since the date of this filing concerning the firm, which will either be delivered, or offered for delivery, to clients. A copy may also be downloaded from the Securities and Exchange Commission website, [www.sec.gov](http://www.sec.gov).

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## Item 4-Advisory Business

Darian Capital Management, LLC (the “Advisor”) is an advisor to an Ireland based Qualified Investment Fund (“QIF”), which is a platform to provide AIFMD marketing passport access to the European Union (“EU”) market, as well as to other non-U.S. fund and fund managers requiring United States (“US”) expertise (the “Clients” or “Funds”). The Advisor was founded in 2013 and is owned by Sam Khazaeni, the controlling person, and Daryoush Niknejad, the firm’s Chief Compliance Officer and General Counsel.

The Advisor pursues its investment strategy through managing or co-managing Funds. The Advisor generally does not have discretion with respect to investment decisions made for the Funds. However, it does provide investment advisory services to the Funds based on the particular investment objectives, strategies, and markets described in the applicable Fund’s offering documents (if any) and governing documents (referred to collectively as “Offering Documents”).

**All discussion of the Funds in this brochure, including but not limited to their investments, the strategies used in managing the Funds, risks and conflicts of interest faced by the Advisor in connection with the management of the Funds are qualified in their entirety by reference to each Fund’s respective Offering Documents.**

By July 2013 (the date of the launch of the QIF), the Advisor expects upwards \$25,000,000.00 in non-discretionary assets under management (“AUM”) in \$0.00 AUM in discretionary accounts.

## Item 5-Fees and Compensation

For its services to the Funds, the Advisor generally receives a flat-fee, which varies greatly from Fund to Fund, depending on Fund AUM, strategy, and markets. The fee is billed to Clients monthly or quarterly, as agreed between the Advisor and Clients.

Though the Advisor does not charge for such, the Funds, and therefore their investors, are also generally responsible for all Fund level expenses and all ordinary administrative and overhead expenses incurred in connections with originating, managing, and monitoring investments, including (i) investment costs, such as prime broker and investment banking fees; (ii) domestic and foreign taxes payable by the Funds; (iii) fees

and disbursements of outside audits; (iv) fees and disbursements of administrators, attorneys, consultants and other professionals rendering services to or for the benefit of the Funds, including to the Advisor or the Fund's affiliates for monitoring investments; (v) interest expenses; (vi) lender closing fees and lender legal fees and expenses; (vii) closing fees; (viii) transaction costs, including to the Advisor or Fund affiliates performing investment banking duties, and any costs or fees associated with failed transactions, (ix) any reasonable expenses of members of investor advisory board to the Fund; (x) any expenses related to any annual or special meeting of investors, (xi) interest on debit balances or borrowings, custody or depositary fees, (xii) withholdings or transfer taxes imposed on the Funds, and (xiii) costs associated with reporting to current and prospective investors.

For a more complete discussion of fees and compensation, investors should refer to the Funds' Offering Documents, or constituent documents.

## **Item 6-Performance Based Fees and Side-By-Side Management**

The Advisor does not charge performance fees.

## **Item 7-Types of Clients**

The Advisor is an investment advisor only to the Funds. The minimum initial investment for the Funds is generally \$50,000, though lesser amounts may be accepted at the sole discretion of the Funds.

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

### **Our Investment Strategies**

The Funds' investment strategies vary significantly, and investors should look to the Offering Document of each Fund to examine not only those strategies but the unique methods of analysis and risks associated therewith.

The Advisor may not be the only advisor to the funds, and other advisors may, along with the Advisor or independently, select the strategies and securities for investment. The

Advisor performs regulatory and compliance due diligence on all Clients and other advisors to said Clients to determine platform risk, in the case of the QIF, and aid regulatory and investor reporting.

## Risk

The following is a summary of risks generally applicable to investors in the Funds. Investors should reference the applicable Offering Document, or constituent documents of each Fund for a more complete description of the risks specifically applicable to that Fund.

Investments by a Fund in private and public securities involve a high degree of business and financial risk that can result in substantial losses. Some of these risks include, without limitation, the following: A portfolio issuer may be in an early stage of development, may not have a proven operating history, may have products that are not yet developed or ready to be marketed or that have no established market, may be reliant on developing unproven technology, may be operating at a loss or have significant fluctuations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition.

A portfolio issuer may face intense competitive positioning, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a large number of qualified managerial and technical personnel. A portfolio issuer may also incur leverage that may have important adverse consequences. For example, a portfolio issuer may be subject to restrictive financial and operating covenants. As a result, a portfolio issuer may lack the flexibility to respond to changing business and economic conditions or to take advantage of business opportunities.

In addition, the investment strategy includes certain other material risks, including risks of investing in privately held companies, risks of investing in junior securities of an issuer, potential investment concentration in one industry or one industry segment, possible lack of sufficient investment opportunities, risks associated with the use of

leverage by a Fund, and the lack of a readily available market for Fund investments, among others.

The profitability of a significant portion of a Fund's investment program may depend to a great extent upon correctly assessing the future course of the price movements of securities and other investments. The Funds may also be substantially reliant on the services of one or a few key persons. There can be no assurance that one will be able to predict accurately these price movements. With respect to the investment strategy utilized by a Fund, there is always some, and occasionally a significant, degree of market risk.

A Fund may enter into transactions, known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by the Fund theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase.

Derivative instruments, or "derivatives," include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset.

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

Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Fund are maintained) and the various foreign currencies in which

the Fund's portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

There may be severe restrictions on withdrawals from a Fund (which may be settled in securities rather than cash) and on transfers of Interests. There is no secondary market for interests in the fund and one is not likely to develop. Because of the restrictions on withdrawals and transfers, an investment in a Fund is a relatively illiquid investment and involves a high degree of risk.

### **Item 9-Disciplinary Information**

The Advisor has no disciplinary information to report.

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

The principals of the Advisor are affiliated with the QIF. However, the QIF is governed by a board, which includes independent directors. Also, the QIF and the Advisor are subject to independent codes of ethics designed to address any potential conflicts of interest such affiliations may create.

### **Item 11-Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Advisor has a fiduciary responsibility to treat clients fairly and avoid actual or potential conflicts of interest. The employees of the Advisor have an obligation to act solely in the best interests of clients, and to make full and fair disclosure of all material facts, particularly where the clients' interests may conflict with the interests of the Advisor or its employees.

## Code of Ethics

The Advisor has adopted a Code of Ethics which describes the general standards of conduct that the Advisor expects of all employees and focuses on three specific areas where employee conduct has the potential to adversely affect the Clients: misuse of confidential information, personal securities trading and outside business activities. Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination of an employee by the Advisor. Any client or prospective client may request a copy of the Advisor's Code of Ethics.

## Misuse of Nonpublic Information

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Advisor. Employees may not convey nonpublic information nor depend upon it in placing personal securities trades.

## Participation or Interest in Client Transactions

The Advisor does not manage a principal account and does not conduct cross trading among the Funds. The Advisor may, to the extent permitted under applicable law, effect client cross- transactions where the Advisor causes a transaction to be effected between the Fund and another account advised by it or any of its affiliates. In the event of such a transaction, the Advisor will comply with the disclosure and consent requirements of Section 206(3) of the Advisors Act.

## Personal Securities Trading

The Advisor has adopted personal trading policies and procedures to prevent conflicts of interest with its clients. The Advisor maintains a restricted list of securities that the Advisor and its employees may not trade in order to avoid the misuse of material non-public information or confidential client information. The Advisor's Chief Compliance Officer, Daryoush Niknejad, periodically reviews the personal accounts of the Advisor's employees for compliance with these policies and procedures.

## Outside Business Activities

The Advisor's Chief Compliance Officer must pre-approve all outside activities conducted by an Advisor employee. If any activities are deemed to be in conflict with the Advisor's clients, such conflicts will be fully disclosed.

## **Item 12-Brokerage Practices**

The Advisor does not select or direct brokerage for Clients.

## **Item 13-Review of Accounts**

The Advisor and its Chief Compliance Officer monitor Client accounts on a monthly basis for compliance with Offering Documents, regulatory mandates, and internal risk parameters, and communicates any material risks uncovered to said Clients.

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

The Advisor pays certain outside parties for referrals, at highly negotiable rates.

## **Item 15-Custody**

The Advisor does not have custody of the Funds' assets or securities.

## **Item 16-Investment Discretion**

The Advisor does not have investment discretion over the Funds' portfolios.

## **Item 17-Voting Client Securities**

The Advisor does not have voting authority on Client securities.

## **Item 18-Financial Information**

There is no financial condition that is reasonably likely to impair Advisor's ability to continue to meet its contractual commitments and provide services to its Clients.