

Item 1 - Cover Page

September 16, 2013

Sapphire Capital Management, Ltd.

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This brochure serves as a replacement to Part II of Form ADV Uniform Application for Investment Adviser Registration, which gives information about an investment adviser and its business for the use of Shareholders and prospective Shareholders. This information has not been approved or verified by any governmental authority. Registration of an investment adviser does not imply that the adviser possesses a certain level of skill or training.

Additional information about Sapphire Capital Management, Ltd., is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Sapphire Capital Management, Ltd. (SCM) is a newly registered investment adviser with the Securities Exchange Commission (SEC). Therefore this Brochure is a new document and there are no material changes to be reported. In the future, this Item will discuss only specific material changes that are made to the Brochure. Each time SCM will reference the date of its last annual update of the Brochure.

Pursuant to new SEC Rules, Clients will receive a summary of any materials changes to the Brochure, and any subsequent versions of the Brochure within 120 days of the close of the SCM fiscal year, which is December 31. SCM may further provide other ongoing disclosure information about material changes as necessary. SCM will provide Clients with a new version of the Brochure as necessary based on changes or new information, at any time, without charge. Currently, anyone may request the Brochure by contacting Mr. Hussain Rahimi at +973-33637700 or hussainrahimi88@gmail.com.

SCM

Sapphire Capital Management, Ltd.

Item 3 – Table of Contents

Item 1 - Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 – Incentive Based Fees	8
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	10
Before purchasing Shares in the Fund, prospective Shareholders should carefully consider various risk factors and conflicts of interest, as well as suitability requirements, restrictions on transfer and withdrawal of Interests and various legal, tax and other considerations, all of which are discussed below and in the Confidential Private Placement Memorandum. Investing in securities involves risk of loss that clients should be prepared to bear.	10
Item 9 – Disciplinary Information	14
Item 10 - Conditions for Managing Accounts	15
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Item 12 – Brokerage Practices	19
Item 13 – Review of Accounts.....	21
Item 14 – Client Referrals and Other Compensation.....	22
Item 15 – Custody	23
Item 16 – Investment Discretion.....	24
Item 17 – Voting Client Securities.....	25
Item 18 – Financial Information	26

Item 4 – Advisory Business

Sapphire Capital Management, Ltd., (SCM) is an investment advisory firm registered with the Securities and Exchange Commission. The firm is recently formed and expects to commence operations in August 2013. The owner and control persons of Sapphire Capital Management, Ltd., is Mr. Hussain Adel Haider Ali Rahimi. The sole Client of Sapphire Capital Management, Ltd., is Sapphire Master Fund, Ltd., a British Virgin Islands Business Company, which is also recognized as a professional fund (Fund). SCM is the Investment Advisor of the Fund and is responsible for the day-to-day administration of the Fund's affairs and has discretionary investment authority over the Fund's assets.

The Fund

The Fund was formed to pool investment funds of its investors (each a "Shareholder" and, collectively, "Shareholders") for the purpose of investing in publicly traded equity securities.

The Interests will be continuously offered in the sole discretion of SCM. The minimum investment amount is \$100,000, although SCM has discretion to accept lesser amounts. Generally, new Shareholders will be admitted on the first day of each month and withdrawals may be made annually on thirty (30) days' prior written notice to SCM, subject to a lock-up period and certain other restrictions more fully described in the Confidential Private Placement Memorandum.

The Shareholders, by pooling their assets in the Fund, will be able to invest their funds in a portfolio of securities managed by SCM who is seeking to maximize return while controlling risk. In the absence of a pooling vehicle such as the Fund, an investor may not ordinarily be able to achieve the same degree of diversification and/or monitor, evaluate and implement the same investment strategies as the Fund.

This Brochure provides information regarding the Investment Advisor and the qualifications, business practices, and nature of advisory services that should be considered.

Please contact Mr. Hussain A. Rahimi, Chief Compliance Officer, if you have any questions about this Brochure. Additional information about the Investment Advisor is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Sapphire Capital Management, Ltd., SCM is 168042. Mr. Hussain Adel Haider Ali Rahimi will provide its investment advisory services. He is appropriately licensed, qualified, and authorized to provide advisory services on behalf of the Fund.

Description of Advisory Business

SCM provides professional investment management services to the Fund on a continuous and on-going basis. SCM has complete discretionary investment authority over the Fund's assets and the Fund has given complete discretion to SCM to investment the Fund's assets in accordance with the Fund's Confidential Private Placement Memorandum. Other than as explicitly set forth in the Confidential Private Placement Memorandum, Shareholders have no voting rights as to the

Fund or its management. As the manager and controlling person of SCM, Mr. Hussain Adel Haider Ali Rahimi, controls all of the Fund's operations and activities. As of the date of this brochure, the Fund has not commenced operations, and therefore SCM, does not have any discretionary assets under management. SCM does not provide investment management services on a non-discretionary basis.

Item 5 – Fees and Compensation

Management Fee

In consideration for its services, SCM shall receive an annual management fee (“Management Fee”) calculated at annual rate of 2.0% of each Shareholder’s share of the Fund’s Net Asset Value (as defined below). The Management Fee shall be payable annually in arrears and calculated as of the last day of each calendar year. A pro rata Management Fee will be charged to Shareholders on any amounts permitted to be invested during any quarter.

The Investment Manager, in its sole discretion, may waive or reduce the Management Fee with respect to one or more Shareholders for any period of time, or agree to apply a different Management Fee for that Shareholder.

SCM and/or its principals and affiliates may withdraw all or any of the value in their capital accounts, including any applicable Management Fee, at any time, and without the consent of, or notice to, any of the Shareholders.

The Management Fee shall be payable quarterly in arrears and calculated as of the last day of each calendar quarter. A pro rata Management Fee will be charged to Shareholders on any amounts permitted to be invested during any quarter.

Fund Organizational Expenses

SCM paid for all expenses related to organizing the Fund including, but not limited to, legal and accounting fees, printing and mailing expenses and government filing fees (including blue sky filing fees).

Fund Operating Expenses

The Fund, and therefore the Shareholders on a collective basis shall pay or reimburse SCM and/or their affiliates for: (a) all expenses incurred in connection with the ongoing offer and sale of Interests, including, but not limited to, marketing expenses, documentation of performance and the admission of Shareholders, (b) all operating expenses of the Fund such as tax preparation fees, governmental fees and taxes, administrator fees, communications with Shareholders and ongoing legal, accounting, auditing, bookkeeping, insurance, consulting and other professional fees and expenses, (c) all Fund trading costs and expenses (*e.g.*, brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges), (d) professional and other advisory and consulting expenses and travel expenses incurred in connection with investment due diligence, monitoring or the assertion of rights or pursuit of remedies including, without limitation, pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer, (e) external data services (including, but not limited to, bond pricing and rating data feed) and software expenses included in identifying and monitoring investment opportunities, and (f) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the Fund.

SCM or affiliates, in their sole discretion, may from time to time pay for any of the foregoing Fund expenses or waive their right to reimbursement for any such expenses, as well as terminate

any such voluntary payment or waiver of reimbursement.

SCM Expenses

SCM and/or its affiliates will pay their own general operating and overhead type expenses associated with providing the administrative services and the investment management services required under the Confidential Private Placement Memorandum. These expenses include all expenses incurred by the SCM in providing for its normal 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, insurance, utilities, telephone, secretarial and bookkeeping services.), but not including any Fund operating expenses described above.

Item 6 – Incentive Based Fees

Incentive Allocation

The Investment Manager, will be allocated from the Fund, an incentive allocation (the “Incentive Allocation”), generally annually, as a percentage of the realized and unrealized profits for each Series of Shares. The Incentive Allocation, with respect to each Series, will be calculated and accrued as of each date on which the Net Asset Value, per Share of the Series, is calculated. It will generally be determined as of December 31 of each year and on the redemption of Shares, as of the effective date of the redemption, but only as to the Shares being redeemed.

With respect to any Class A Shares, the Investment Manager will receive an Incentive Allocation equal to 30% of the Net Income allocated to such Shareholder subject to a hurdle rate of 8%.

With respect to any Class B Shares, the Investment Manager will not receive an incentive allocation.

Item 7 – Types of Clients

The sole client of SCM is the Fund. The minimum investment amount in the Fund is one-hundred thousand dollars (\$100,000), although SCM has discretion to accept lesser amounts. The minimum additional capital contribution that will be accepted from an existing Shareholder is twenty five thousand dollars (\$25,000), unless SCM agrees otherwise. SCM, in its sole discretion, can accept or reject any initial subscriptions from prospective Shareholders and any additional capital contributions from existing Shareholders.

There is no minimum or maximum aggregate amount of funds that may be contributed by all Shareholders to the Fund. Shareholders are not required to make any additional capital contributions to the Fund.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Before purchasing Shares in the Fund, prospective Shareholders should carefully consider various risk factors and conflicts of interest, as well as suitability requirements, restrictions on transfer and withdrawal of Interests and various legal, tax and other considerations, all of which are discussed below and in the Confidential Private Placement Memorandum. Investing in securities involves risk of loss that clients should be prepared to bear.

Method of Analysis

Set forth below are certain types of analysis that SCM uses in carrying out its investment strategy:

Relationship with Portfolio Companies

Although SCM does not take an active role in the affairs of the companies in which the Fund has a position, it will be the policy of the Fund to take such steps as are necessary to protect its economic interests. SCM reserves the option to accept a role on the board of directors of any company in which the Fund holds securities, if the opportunity presents itself.

Investment and Portfolio Monitoring

SCM will monitor each Portfolio's positions to attempt to ensure that the investment thesis behind each is intact. SCM will also monitor trading prices so that profits can be taken as trading and intrinsic values converge or losses can be minimized in the event of a significant shift in an investment's fundamental premise. SCM will further monitor investment positions in view of the portfolios as a whole in order to manage risk.

Development and Risks of SCM's Trading Strategy

The development of a trading strategy is a continuous process and each Portfolio's trading strategy and methods may therefore be modified from time to time. The Fund's trading methods are confidential and the descriptions of them in this Memorandum are not exhaustive. The Fund's trading strategies may differ from those used by SCM and its affiliates with respect to other accounts they manage. Trading decisions require the exercise of judgment by SCM. SCM may, at times, decide not to make certain trades, thereby foregoing participation in price movements which would have yielded profits or avoided losses. Shareholders cannot be assured that the strategies or methods utilized by SCM will result in profitable trading for the Fund.

The Fund's and each Portfolio's investment program entails substantial risks and there can be no assurance that their investment objectives will be achieved.

Investment Strategies

The Fund will primarily invest in mid to large cap stocks, many of which will pay dividends. First, a short list of stocks will be selected on a combination of technical, fundamental, and behavioral qualities. Second, each stock that makes this short list will be checked to see if it has a "healthy" options market for it along with high enough options premiums. Dollar cost averaging will then be used to purchase only the stocks that we deem to be the best opportunities for solid long term appreciation. As the stocks are purchased, covered call options ("Covered

Call” defined and illustrated below) will be written on them. These covered call options will consist of out of the money, at the money, in the money, and deep in the money calls, all depending on market conditions. The calls will mostly consist of monthly and weekly options, but longer periods may also be used. Typically, the Fund will simply be re-writing options on the underlying stocks as each expires. In the case of an exercise, the stock will most likely be repurchased and continued to have the calls written on it. The Fund also intends to engage in capturing short term gains from deep in the money covered calls on a weekly basis.

Risk of Loss

The Fund’s investment program is speculative and entails substantial risks, including, among others: the risks of investing in U.S. equities markets and the risk that exit strategies from positions may be unavailable and limited liquidity. A client should not invest in the Fund unless (1) it is fully able to bear the financial risks of its investment for an indefinite period of time and (2) it can sustain the loss of all or a significant part of its investment and any related realized or unrealized profits. A Shareholder could lose some or all of its investment in the Fund. There can be no assurance that the investment objectives of the Fund will be achieved or that the SCM’s strategy will be successful. Past results of the Fund, SCM or its principals, portfolio managers, affiliated entities, funds or Shareholders, are not indicative of the future performance of the Fund.

Business and Regulatory Risks of Hedge Funds

Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Fund and the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, there has been an increase in governmental, as well as self regulatory, scrutiny of the “hedge fund” industry in general. Securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, the CFTC other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. It is impossible to predict what, if any, changes in regulations may occur, but any regulations which restrict the ability of the Fund to employ, or brokers and other counterparties to extend, credit in their trading (as well as other regulatory changes which result) could have a material adverse impact on the profit potential of the Fund.

Leverage and Financing Risk

The Fund may leverage its capital because SCM believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its Securities and other assets in order to borrow additional funds for investment and other purposes. The Fund may borrow funds and enter into agreements in connection therewith and may also leverage its investment return with options, short sales, swaps, forwards, credit derivatives and other derivative instruments. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital.

While leverage presents opportunities for increasing the Fund’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value

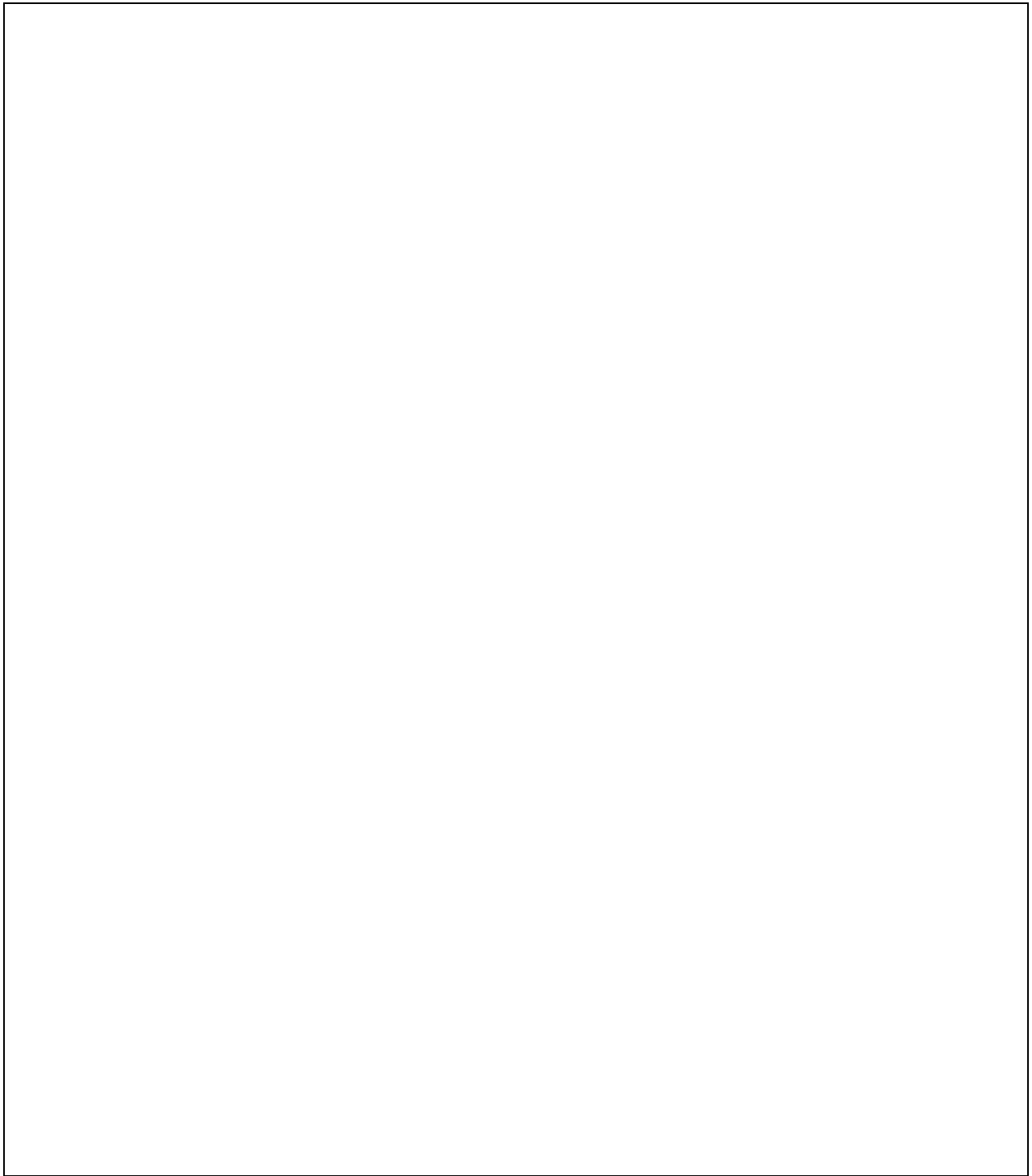
of an investment by the Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged. The use of leverage may create interest expenses for the Fund, which can exceed the investment return from the borrowed funds. To the extent the investment return derived from Securities purchased with borrowed funds exceeds the interest the Fund will have to pay, the Fund's investment return will be greater than if leverage were not used. Conversely, if the investment return from the assets acquired with borrowed funds is not sufficient to cover the cost of leveraging, the investment return of the Fund will be less than if leverage were not used.

In general, the anticipated use of short-term margin borrowings results in certain additional risks to the Fund. For example, should the Securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call," pursuant to which the Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged Securities to compensate for the decline in value, which could result in substantial losses. In the event of a sudden drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to satisfy its margin requirements. Furthermore, the claims of secured and unsecured creditors of the Fund would be senior to the claims of the Shareholders.

Options Trading Risks

The Fund may utilize options for both investment purposes and for risk management purposes. If the seller of the put option owns a put option covering an equivalent number of units with an exercise price equal to or greater than the exercise price of the put written, the position is "hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the premium on the put option. If the buyer of the put option holds the underlying security, the loss on the put may be offset in whole or in part by any gain on the underlying security.

A principal part of the Fund's investment strategy involves writing (selling) call options on a selection of equity securities. This part of the Fund's strategy subjects the Fund to certain additional risks. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the premium on the call option. If the buyer of the call option sells short the underlying security, the loss on the call option may be offset, in whole or in part, by any gain on the short sale of the underlying security. Options may be cash settled, settled by physical delivery or by entering into a closing purchase transaction. In entering into a closing purchase transaction, the Fund may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written. The Fund will receive a premium from writing a covered call option that it retains whether or not the option is exercised. The premium received from the written options may not be sufficient to offset any losses sustained from the volatility of the underlying equity securities over time.



Item 9 – Disciplinary Information

Neither SCM nor its personnel has been involved in any legal or disciplinary events. No disciplinary events have been recorded by any state or the SEC. No client has threatened SCM or its personnel with disciplinary activities.

Item 10 - Conditions for Managing Accounts

Generally, SCM requires a minimum of \$100,000 to invest in the Fund. However, in SCM's discretion, it may waive this requirement.

Conflicts of Interest

General. SCM is accountable to the Fund as a fiduciary and, consequently, must exercise good faith and integrity in handling the business of the Fund. Nevertheless, in the conduct of such business, conflicts may arise between the interests of SCM and those of investors. Investors should consider the potential for conflicts of interest before investing.

No Obligation of Full-Time Service

Neither SCM nor Mr. Hussain A. Rahimi has any obligation to devote their full time to the business of the Fund. They are only required to devote such time and attention to the affairs of the Fund as they decide is necessary for the Fund's operations and they may engage in other activities or ventures, including competing ventures and/or unrelated employment, which may result in various conflicts of interest between such persons and the Fund.

Advisory Services to Others

SCM and/or its managers, members, officers, affiliates and employees provide investment advice to other parties and may manage other accounts and private investment vehicles similar to the Fund. In connection with such other investment management activities, SCM and/or its managers, members, officers, affiliates and employees may decide to invest the funds of one or more other accounts or clients or recommend the investment of funds by other parties, rather than the Fund's funds, in a particular security or strategy. In addition, SCM and such other persons will determine the allocation of funds from the Fund and such other accounts or clients to investment strategies and techniques on whatever basis they consider appropriate or desirable in their sole and absolute discretion.

Diverse Shareholders

The Shareholders are expected to include taxable and tax-exempt entities and persons or entities resident of or organized in various jurisdictions. As a result, conflicts of interest may arise in connection with decisions made by SCM that may be more beneficial for one type of Shareholder. In making such decisions, SCM intends to consider the investment objectives of the Fund as a whole, not the investment objectives of any Shareholder individually.

Use of Third Party Marketers

SCM may enter into fee sharing arrangements with third-party marketers or solicitors who refer investors to the Fund. Such third-party marketers may have a conflict of interest in advising prospective investors whether to purchase or redeem Interests.

Personal Trading by SCM and Affiliates

SCM and its principals and affiliates may make trades and investments for their own accounts. In these accounts, they may use trading and investment methods that are similar to, or substantially different from, the methods used by them to direct the Fund's account. The records of these personal accounts will not be made available to Shareholders.

Soft Dollars and Directed Brokerage

SCM may be offered non-monetary benefits or “soft dollars” by brokers to induce SCM to engage such brokers to execute securities transactions on behalf of the Fund. These soft dollars may take the form of research and other related services regarding securities investments and may be available for use by SCM or their affiliates in connection with transactions in which the Fund does not participate. Brokers may also solicit or refer investors to invest in the Fund. The availability of these benefits may influence SCM to select one broker rather than another to perform services for the Fund. SCM intends to use its best efforts to assure either that the fees and costs for services provided to the Fund by such brokers are reasonable in relation to the fees and costs charged by other equally capable brokers not offering such services or that the Fund also will benefit from the services.

Lack of Separate Representation

Neither the Fund Agreement nor any of the agreements, contracts and arrangements between the Fund, on the one hand, and SCM on the other hand, were or will be the result of arm’s-length negotiations. The attorneys, accountants and others who have performed services for the Fund in connection with this offering, and who will perform services for the Fund in the future, have been and will be selected by SCM. No independent counsel has been retained to represent the interests of investors or Shareholders, and the Fund Agreement has not been reviewed by any attorney on their behalf. Investors are therefore urged to consult their own counsel as to the terms and provisions of the Confidential Private Placement Memorandum.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Participation or Interest in Client Transactions

SCM or individuals associated with SCM may buy or sell for their personal account(s) investment products identical to those recommended to the Fund. It is the expressed policy of the SCM that no person employed by SCM may purchase or sell any security prior to transactions being implemented for an advisory account, thus preventing employees from benefiting from transactions placed on behalf of advisory accounts.

Code of Ethics

As these situations may represent a conflict of interest, SCM has established the following restrictions in order to ensure its fiduciary responsibilities:

- SCM and its employees may not participate in private placements or initial public offerings (IPOs) without pre-clearance from the Chief Compliance Officer.
- SCM and its associated persons generally may not purchase and sell securities being considered for, or held by the Fund without pre-clearance of SCM's Compliance Officer.
- Records will be maintained of all securities bought or sold by SCM and associated persons of SCM, and related entities.

The full text of SCM's Code of Ethics is available to you upon request. In accordance with Section 204-A of the Investment Advisers Act of 1940, SCM also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by SCM or any person associated with SCM.

Privacy Policies

Protecting Shareholder's privacy is very important to SCM. SCM views protecting the Fund's private information top priority, and pursuant to the requirements of the federal Gramm-Leach-Bliley Act, SCM has instituted policies and procedures to ensure that the Fund's information is kept private and secure. SCM does not disclose any nonpublic personal information about the Fund's Shareholders or former Shareholders to any nonaffiliated third parties, except as permitted by law. In the course of servicing a Shareholder's account, SCM may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and attorneys. SCM restricts internal access to nonpublic personal information about the Fund to those associated persons of the SCM who need access to such information in order to provide services to the Fund. SCM will never sell information about current or former Shareholders or their accounts to anyone. It is also SCM's policy not to share information unless required to process a transaction, at the request of a customer, or as required by law.

SCM is subject to registration requirements with the Securities and Exchange Commission. Regulatory authorities are empowered by law to perform certain audit functions to ensure that

SCM complies with federal, state, and local laws governing Registered Investment Advisors. In the course of performing such audit functions, regulatory authorities may request information concerning SCM and the Fund. In complying with such requests, we take all possible steps to ensure that Shareholder information is protected and not removed from SCM's office in any form where it might become subject to public disclosure under applicable state and federal Laws. SCM may also be required to provide information about you without your consent, as permitted by law, to respond to a subpoena or court order or in connection with a proposed or actual sale, merger, or transfer of ownership of our firm.

Item 12 – Brokerage Practices

Brokerage for Client Referrals

SCM and/or its affiliates may also direct some Fund brokerage business to brokers who refer prospective investors to the Fund.

Brokerage Practices

SCM is responsible for the placement of the portfolio transactions of the Fund and the negotiation of any commissions paid on such transactions. Portfolio securities normally are purchased through brokers on securities exchanges or directly from issuers or from underwriters or market makers for the securities. Purchases of portfolio instruments through brokers involve a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include the spread between the bid and the asked price. SCM will not commit to provide any level of brokerage business to any broker. SCM may utilize the services of one or more introducing brokers that will execute the Fund's brokerage transactions through the broker and custodian that will clear the Fund's transactions.

Securities transactions for the Fund are executed through brokers selected by SCM in its sole discretion and without the consent of the Fund. In placing portfolio transactions SCM will seek to obtain the best execution for the Fund, 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, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers.

Soft Dollars and Directed Brokerage

SCM may be offered non-monetary benefits or "soft dollars" by brokers to induce SCM to engage such brokers to execute securities transactions on behalf of the Fund. These soft dollars may take the form of research and other related services regarding securities investments and may be available for use by SCM or their affiliates in connection with transactions in which the Fund does not participate. SCM therefore receives a benefit in that it may not have to pay for the research, products or services. SCM may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services rather than on the Fund's interest in receiving the most favorable execution. SCM intends to use its best efforts to assure either that the fees and costs for services provided to the Fund by such brokers are reasonable in relation to the fees and costs charged by other equally capable brokers not offering such services or that the Fund also will benefit from the services. Brokers may also solicit or refer investors to invest in the Fund. To prevent Fund brokerage commissions from being used to pay investor referral fees, SCM will not allocate Fund brokerage business to a referring broker unless SCM determines in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to the Fund.

Aggregation of Orders

SCM may aggregate purchase and sale orders of securities held by the Fund with similar orders being made simultaneously for other accounts or entities if, in SCM's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Fund, based on an evaluation that the Fund will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of securities for the Fund will be affected simultaneously with the purchase or sale of like securities for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, at SCM's sole discretion, and the Fund may be charged or credited, as the case may be, with the average transaction price.

Item 13 – Review of Accounts

Review of Accounts/Reports to Shareholders

Each Shareholder in the Fund will receive the following: (a) annual financial statements of the Fund audited by an independent certified public accounting firm, (b) in the discretion of SCM, a periodic letter from SCM discussing the results of the Fund, (c) copies of such Shareholder's Schedule K-1 to the Fund's tax returns, and (d) other reports as determined by SCM in its sole discretion. The Fund shall bear all fees incurred in providing such tax returns and reports. SCM may agree to provide certain Shareholders with additional information on the underlying investments of the Fund, as well as access to SCM and its employees for relevant information.

Item 14 – Client Referrals and Other Compensation

The Investment Manager will determine, in its sole discretion, which broker will provide brokerage and custodian services for the Fund, and will generally execute (on the basis of payment against delivery) the securities transactions of the Fund. Accordingly, the Broker may receive substantial brokerage commissions and/or margin interest related to the securities transactions of the Fund. The Fund is not committed to continue its brokerage and custodial relationship with the Broker for any minimum period, and may enter into brokerage and custodial relationships with other brokers.

Item 15 – Custody

Fund Accounts

SCM is deemed to have custody of funds and securities as SCM has the authority to have management fees deducted directly from Shareholder capital accounts. Each Shareholder Interest represents a percentage interest in the Fund determined by reference to the capital account of each Shareholder in relation to the aggregate capital accounts of all Shareholders. SCM has established procedures to ensure all Fund funds and securities are held at a qualified custodian in a separate account for the Fund and in the Fund's name.

Item 16 – Investment Discretion

SCM has complete discretionary authority to manage funds and securities on behalf of the Fund. SCM has the authority to determine the type of securities and the amount of securities that can be bought or sold for the Fund's portfolio without obtaining the Shareholder consent. Other than as explicitly set forth in the Fund Agreement, Shareholders have no voting rights as to the Fund or its management. In connection with the admission of a Shareholder to the Fund, Shareholders shall, in advance of such admission and as a condition thereto, sign a copy of the Fund Agreement or an agreement to become bound by the provisions of this Agreement and such other subscription materials as shall be determined by SCM.

Item 17 – Voting Client Securities

The business and affairs of the Fund shall be managed exclusively by SCM. The Shareholders shall take no part in the management or control of the Fund's business and shall have no authority to act for or bind the Fund. SCM shall have sole discretion and authority to select investments, shall invest the funds of the Fund as SCM deems appropriate. SCM votes all proxies on behalf of the Fund without notice to Shareholders.

SCM has written proxy voting policies and procedures as required by law and a copy of such voting policies and procedures is available upon request. Under these policies and procedures, in cases where SCM has proxy voting authority with respect to voting securities held in the Fund's accounts, SCM will vote such securities for the exclusive benefit and in the best economic interest of the Fund and its investors as determined by SCM in good faith, subject to any restrictions or directions from the Fund. Such voting responsibilities are exercised in accordance with the applicable provisions of the law as well as SCM's fiduciary duties under applicable law to act in the best interests of the Fund. SCM acknowledges that, when voting proxies, it is responsible for identifying and addressing material conflicts of interests.

Item 18 – Financial Information

Regulations require that registered investment advisers provide certain financial information if they require or solicit prepayment of fees six months or more in advance. SCM does not require this sort of prepayment and thus we are not required to provide this information. SCM does not have a financial condition that is likely to impair its contractual commitments. Neither SCM nor Mr. Hussain A. Rahimi, have ever been the subject of a bankruptcy petition and is not the subject of a bankruptcy petition at the current time.

