



Form ADV

Part 2A Brochure

March 28, 2014

Laurion Capital Management LP

360 Madison Avenue, Suite 1900

New York, NY 10017

Tel: 212-938-6300

This brochure provides information about the qualifications and business practices of Laurion Capital Management LP ("Laurion"). If you have any questions about the contents of this brochure, please contact us at 212-938-6300 or enquiries@laurioncap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Laurion is also available on the SEC's website at: www.adviserinfo.sec.gov.

Registration with the SEC does not imply a certain level of skill or training.

This brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described in this brochure.

Item 2 - Material Changes

This brochure is an update to the Form ADV Part 2A brochure submitted by Laurion in March 2013. This brochure does not contain any material changes since March 2013. Laurion recommends that you read this brochure in its entirety.

Item 3 - Table of Contents

Item 1 – Cover Page	
Item 2 - Material Changes	2
Item 3 - Table of Contents.....	3
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	5
Item 6 - Performance Based Fees and Side-by-Side Management	6
Item 7 - Types of Clients	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 - Disciplinary Information.....	11
Item 10 - Other Financial Industry Activities and Affiliations	11
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..	11
Item 12 - Brokerage Practices	12
Item 13 - Review of Accounts.....	13
Item 14 - Client Referrals and Other Compensation	13
Item 15 - Custody	13
Item 16 - Investment Discretion	14
Item 17 - Voting Client Securities.....	14
Item 18 - Financial Information	14

Item 4 - Advisory Business

Laurion Capital Management LP provides investment advisory services to pooled investment vehicles operating as private investment funds (i.e., hedge funds). Laurion was founded in 2005 and is primarily owned by Benjamin A. Smith and Janaka Sheehan Maduraperuma. As of December 31, 2013, Laurion had \$2,650.3 million in client assets under management. All of these assets are managed on a discretionary basis.

Laurion acts as investment adviser to the following funds:

- Laurion Capital Global Markets Fund Ltd. (the “GM Offshore Fund”);
- Laurion Capital Global Markets Fund LP (the “GM Onshore Fund”);
- Laurion Capital Global Markets Master Fund Ltd. (the “GM Master Fund”, and together with the GM Offshore Fund and the GM Onshore Fund, the “GM Funds”);
- Laurion Capital Ltd. (the “LCM Offshore Fund”);
- Laurion Capital, LP (the “LCM Onshore Fund”); and
- Laurion Capital Master Fund Ltd. (the “LCM Master Fund”, and together with the LCM Offshore Fund and the LCM Onshore Fund, the “LCM Funds”).

Laurion generally applies a model based trading strategy and invests the Funds’ assets in domestic and international stocks, index options, equity options, currency options, physical commodity options, financial commodity options, Swaptions, currency options, American Depository Receipts (ADRs), interest rate swaps, foreign currency forward contracts, physical index futures, total return swaps, variance swaps, contracts for differences, foreign currency spots and exchange traded funds (“ETFs”).

The GM Funds pursue a global macro / relative value strategy that focuses on analyzing market dynamics to understand why assets are mispriced. The investment objective of the GM Funds is to combine Laurion’s systematic and qualitative methodologies to seek out attractive absolute return and broad relative value exposures to own across a comprehensive array of asset classes, creating a well-diversified portfolio of return streams. The GM Funds are designed to have modest correlation to the markets yet provide a unique approach to macro-style investing.

The LCM Funds pursue a global relative value strategy that seeks to quantitatively analyze common sense structural and behavioral inefficiencies in the markets then employ both model-based and discretionary trading strategies to capture these opportunities. The LCM Funds seek to generate attractive returns with controlled exposure to market direction, limited volatility and low correlation to traditional markets. The LCM Funds pursue a diversified trading strategy which does not rely on favorable conditions in any particular market or on general appreciation of asset values.

Please see Item 8 of this brochure for a more detailed description of Laurion’s investment strategy and method of analysis.

From time to time, Laurion may create and act as investment adviser to other private investment funds or separate accounts. In this brochure, any reference to “Client” means the GM Funds and

the LCM Funds (collectively the “Funds”), and any other Laurion advisory client, not to investors within the Funds (the “Investors”).

Laurion does not tailor its advisory services to the individual needs of the Investors and does not allow Investors to impose restrictions on investing in any securities. Each person should consult its own advisor to determine the suitability of an investment in one of the Funds.

Item 5 - Fees and Compensation

Laurion generally charges each Fund a management fee plus a performance fee in accordance with each Fund’s offering documents. Generally, each Fund will pay a management fee of up to two percent (2%) per year of the market value of the net assets of each investor’s capital account, as measured at the end of each fiscal quarter and payable quarterly in advance. Management fees are prorated for capital contributions and withdrawals made at times other than the start or end of a calendar quarter, as applicable.

Laurion, and its affiliated entities that serve as general partners of the Funds, are eligible to receive incentive fees with respect to the net capital appreciation of a Fund’s market value. The performance-based fee generally consists of up to 20% of each investor’s net capital appreciation for each fiscal year, and is reallocated to a Fund’s general partner at the end of each fiscal year or paid to Laurion subsequent to year-end.

The fees for the Funds generally are not negotiable. However, Laurion, the affiliated general partners, and respective Board of Directors, in their sole discretion, may waive, reduce or otherwise modify the management and performance fee for any Investor, including affiliates and employees of Laurion, members of their immediate families, and trusts or other entities formed for their benefit. In addition, the Funds may issue other classes of shares or enter into agreements with certain limited partners, which may differ from the interests offered to other shareholders or limited partners in terms of, among other things, the performance fee and management fee.

In addition to Laurion’s investment management fees and performance based fees, investors indirectly bear the operating expenses of the Funds, including, among other things, investment expenses (e.g., brokerage commissions and other trading, clearing, settlement and custodial fees and expenses); consulting and other professional fees relating to investments; investment-related travel expenses; research and market data; any software used in any part to process or analyze trades or positions; fees and expenses of the Administrator; legal expenses; external accounting and valuation expenses; taxes; audit and tax preparation expenses; organizational expenses, regulatory expenses, costs of directors and officers insurance for the Funds and errors and omissions insurance for Laurion, entity level taxes assessed against the Funds, corporate licensing, and extraordinary and other similar expenses. Each Fund sets forth its specific fee structure (including how it charges fees) along with the additional operational expenses in a confidential explanatory memorandum or similar offering document provided to prospective investors. Therefore, not all funds bear all expenses set forth above. Please see Item 12 of this brochure for more information on the Funds’ brokerage and transaction costs.

Our Clients may enter into side letters or similar agreements with certain Investors which may have the effect of establishing rights, terms or conditions (including, among others, reductions in management fees and performance-based compensation, additional transparency or other preferential terms) with respect to such Investors that are more favorable than the rights, terms and conditions established in favor of other Investors in such Client.

Neither Laurion nor any of our employees receives any transaction-based compensation for the sale of securities or other investment products, including securities of the Funds.

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

As described in Item 5 above, Laurion, or its affiliated general partners of the Funds, are eligible to receive performance based compensation from the Funds. Each Fund's performance based fee arrangement is described in detail in the respective Fund's governing documents.

Performance-based compensation creates a potential conflict of interest because Laurion may have an incentive to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation of investments that may not ultimately be realized.

Item 7 - Types of Clients

Laurion provides investment management services to privately offered pooled investment vehicles. Investors in the Funds are financially sophisticated, individual and institutional investors that may include endowments, corporations, family offices, banks or thrift institutions, pension and profit sharing plans, government plans, trusts, estates, other business entities, and private investment funds (i.e., fund of funds). The minimum investment size varies by Fund and is negotiable. Fund interests are offered to a limited number of individual or institutional investors that qualify as "qualified purchasers" and meet certain other eligibility requirements described in each Fund's confidential offering memorandum and related subscription agreements.

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

Investment Strategy:

The investment objective of the LCM Master Fund is to seek to generate attractive returns on capital with controlled exposure to market direction. The LCM Funds seek to profit from a global multi-disciplinary approach that uses a variety of trading strategies, including, among others, model-based trading and discretionary and relative value trading. The LCM Master Fund invests in a broad array of securities and derivatives under a range of different market scenarios, making use of these and other strategies.

The investment objective of the GM Master Fund is to combine systematic and qualitative methodologies to seek out the most attractive directional exposures to own with diversified risk exposures across a wide variety of global assets. The GM Funds seek to profit from a combination of both qualitative techniques and proprietary systematic techniques to evaluate investment opportunities regularly, through investments in a range of global securities.

The LCM Master Fund and GM Master Fund (collectively, the “Master Funds”) generally use a substantial amount of leverage in their investment programs. This may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of direct or indirect borrowing.

The Master Funds effect their investment programs principally by utilizing a range of equity and non-equity securities, hybrid securities, derivative instruments, and other financial instruments. These include, among others, U.S. and non-U.S. stock and equity-related securities, options, futures, forward contracts, warrants, swaps and other derivative instruments, currencies, commodities, U.S. government securities, money market funds, commercial paper, certificates of deposit and other cash equivalents.

Methods of Analysis:

Model-based trading strategies are implemented predominantly by computer driven programs. These strategies are based on quantitative and qualitative analysis of common-sense insights into market behavior. Our research method typically involves several steps. We focus on capturing likely market inefficiencies based on our market experience and understanding, and then aim to quantify those qualitative observations. From such research, models are created to either implement and execute strategies or aid our trading decisions. Where appropriate, we back-test quantitative signals. We monitor the performance of each signal and the Master Funds’ portfolios. We regularly seek to enhance, refine and/or expand our set of strategies over time.

These strategies may have mean-reverting, trend following, fundamental or technical elements and may have a rapid portfolio turnover, with daily trades in excess of the Master Funds’ portfolio size. These strategies may also have longer-term positions that are held for months. The model-based strategies are global in nature, and could include positions across various asset classes and instruments in emerging market securities in addition to the major developed markets in North America, Europe and Asia.

The success of longer-term investment strategies (both long and short) depend upon our ability to identify and purchase securities that are undervalued or overvalued as applicable, and hold such investments so as to maximize value on a long-term basis. In pursuing any long-term strategy, the Master Funds may forego value in the short-term or temporary investments in order to be able to avail the Master Funds of additional and/or longer-term opportunities in the future.

Discretionary and relative value trading strategies focus on opportunities in global equities, fixed income, futures and commodities and these markets’ derivatives. Laurion's approach combines qualitative insights into the structural inefficiencies in various asset classes and their derivatives with quantitative models that we believe aid in identifying trading opportunities. The Funds will have both long and short positions in various asset classes and their underlying instruments.

Laurion believes that relative mispricing across and within various asset classes, combined with supply-demand imbalances, results in trading opportunities.

Discretionary and relative value opportunities include both single-asset and cross-asset trades. A single-asset trade involves creating a portfolio of positions on the same underlying asset. In contrast, a cross-asset trade generally involves taking offsetting positions on different assets. Laurion invests the Master Funds' assets using both single-asset and cross-asset transactions.

Laurion intends to continue to extend its global multi-disciplinary trading approach into areas correlated to its skill set. Laurion reserves the right to alter or modify the Master Funds' investment programs or to invest in additional strategies where we conclude that such alterations or modifications are consistent with the Master Funds' investment objectives, subject to what we consider an acceptable level of risk.

Risk Management:

Laurion's risk management approach attempts to measure risk, allocate capital based on expected risk-reward and reduce material draw-downs by managing risk concentrations and factors.

Laurion measures risk in several integrated ways. For example, we estimate equity exposure by a covariance matrix as well as calculating equity exposure to various factors (e.g., industry/style). Laurion estimates the option risks caused by changes in implied volatility using a multi-factor volatility risk model, and uses Monte-Carlo simulations. Additionally, the portfolio is shocked by simulating extreme event scenarios (e.g., market crash and rise in implied volatility).

The risk capital allocated to each strategy is determined by Laurion's managing members. Risk is allocated taking into account both the expected return of the strategy and the risk associated with such strategy. In addition, consideration is given to the correlation between strategies.

Risk of Loss:

The Master Funds' investment programs are speculative and entail substantial risks, including the risk that the entire amount invested may be lost. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of investment in the respective Fund. Market risks are inherent in all securities to varying degrees. The practices of leverage, short selling and engaging in futures, forwards and options transactions, which the Master Funds may employ from time to time, can, in certain circumstances, increase the adverse impact to which the Master Fund's investment portfolios may be subject. No assurance can be given that any Fund's investment objective will be realized or that investors will receive a return of their investment.

The descriptions contained below are a brief overview of material market risks related to Laurion's investment strategies; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of the Funds. Investors should review the Funds' organizational and offering documents to understand the risks and potential conflicts of interest.

Investment and Trading Risks. The Master Funds will invest in and actively trade securities and other financial instruments using strategies and investment techniques with

significant risk characteristics, including risks arising from the volatility of the global equity, currency, and fixed income markets, the risks of short sales, the risks of leverage, the potential illiquidity of derivative instruments, the risk of loss from counterparty defaults and the risk of borrowing to meet withdrawal requests. The investment program of the Master Funds may utilize such investment techniques as option transactions, short sales, margin transactions, leverage, swap and futures and forward contracts, which practices involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Master Funds' portfolios may be subject.

Quantitative Analysis. Given the complexity of certain of the Master Funds' investments and strategies, Laurion, for a portion of the Master Funds' investments and strategies, relies heavily on quantitative models (both proprietary models developed by Laurion, and those supplied by third parties) and information and data supplied by third parties ("Models and Data"), rather than granting trade-by-trade discretion to Laurion's investment professionals. Models and Data are used to construct sets of transactions and investments, to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of the Fund), to provide risk management insights, and to assist in hedging the Master Funds' investments. When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the Master Funds to potential risks.

Leverage; Interest Rates; Margin. We generally utilize substantial leverage in our investment programs, thereby maximizing investment positions by borrowing funds to the fullest possible extent permitted by applicable regulations. As a result, the possibilities of profit and loss will be increased. Borrowing money to take positions will provide the Master Funds with the advantages of leverage, but will expose them to greater market risks and higher current expenses. Any gain in the value of positions taken with borrowed money or income earned from these positions that exceeds interest paid on the amount borrowed will cause the Master Funds' net asset value to increase faster than would otherwise be the case. Conversely, any decline in the value of the positions taken will cause the Master Funds' net asset value to decrease faster than would otherwise be the case.

Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of direct or indirect borrowings. In general, the use of short-term margin borrowings may result in certain additional risks. For example, should the securities pledged to brokers to secure a Master Funds' margin accounts decline in value, such Master Fund could be subject to a "margin call," pursuant to which the Master Fund must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of a Master Funds' assets, the Master Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

Short Selling. Short selling involves selling securities that may or may not be owned by the seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing

the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Securities may be sold short by the Master Funds in a long/short strategy to hedge a long position, or to enable the Master Funds to express a view as to the relative value between the long and short positions. There is no assurance that the objectives of these strategies will be achieved, or specifically that the long position will not decrease in value and the short position will not increase in value, causing the Master Fund losses on both components of the transaction.

Relative Value Strategies. Relative value investment strategies generally use spread trades consisting of a long position in one security offset by a short position in another. Such offsetting positions are meant to neutralize or reduce risk. The portfolio profits if our relative valuation leads to a rise in the value of the long position(s) and/or a decline in the value of the short position(s). The success of Laurion's relative value investment strategy depends on our ability to identify and exploit perceived inefficiencies in the pricing of securities, financial products, or markets. Identification and exploitation of such discrepancies involve uncertainty. There can be no assurance that Laurion will be able to locate investment opportunities or to exploit pricing inefficiencies in the securities markets.

Mispricings, even if correctly identified, may not be corrected by the market, at least within a timeframe over which it is feasible for the Master Funds to maintain a position. Even pure arbitrage positions can result in significant losses if Laurion is not able to maintain both sides of the position until expiration/maturity. A reduction in the pricing inefficiency of the markets in which Laurion seeks to invest will reduce the scope for the Master Funds' investment strategies. In the event that the perceived mispricings underlying the Master Funds' positions were to fail to converge toward, or were to diverge further from, relationships Laurion expected, the Master Funds may incur losses. Even if the Master Funds' relative value investment strategy is successful, it may result in high portfolio turnover and, consequently, high transaction costs.

Short term Market Considerations. Many of Laurion's trading decisions may be made on the basis of short term market considerations. Therefore, the portfolio turnover rate could result in significant trading related expenses.

General Risk of Emerging Markets. Investment in emerging market securities involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, emerging market securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities market regulation, less favorable tax provisions, and a greater likelihood of severe inflation, unstable currency, war and expropriation of personal property than investments in securities of issuers based in developed countries. In addition, Laurion's investment opportunities in certain emerging markets may be restricted by legal limits on foreign investment in local securities.

Item 9 - Disciplinary Information

Laurion and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of Laurion or its personnel.

Item 10 - Other Financial Industry Activities and Affiliations

Laurion serves as the investment manager to the Funds. We have business relationships with the following affiliated entities:

- *Laurion Capital GP, LLC*: Laurion Capital GP, LLC is our general partner.
- *Laurion Capital Partners LLC*: Laurion Capital Partners LLC is the general partner of the LCM Onshore Fund.
- *Laurion Capital Global Markets Fund GP LLC*: Laurion Capital Global Markets Fund GP LLC is the general partner of the GM Onshore Fund.
- *LCM (Shanghai) Investment Consulting Co. Ltd*: We maintain a Shanghai office that conducts investment research activities. LCM (Shanghai) Investment Consulting Co. Ltd operates our Shanghai office.
- *LCM Cayman 3 Investment Consulting Co. Ltd*: LCM Cayman 3 Investment Consulting Co. Ltd ("LCM Cayman") is the parent company of LCM (Shanghai) Investment Consulting Co. Ltd.
- *LCM Cayman Holdings Ltd.*: LCM Cayman Holdings Ltd is the parent company of LCM Cayman. This entity is controlled by Benjamin A. Smith and Janaka Sheehan Maduraperuma.

Other than the relationships identified above, Laurion and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Laurion is registered with the Commodity Futures Trading Commission as a commodity pool operator.

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

We have adopted a Code of Ethics which recognizes our fiduciary duty to act in the best interests of the Funds. We adopted the Code of Ethics to, among other things: (1) prevent any improper personal trading; (2) identify any conflicts of interest; and (3) provide a means to address any actual or potential conflicts of interest.

Our Code of Ethics requires our employees to pre-clear certain transactions in their personal accounts with our Chief Compliance Officer or his designee, subject to certain exceptions for

securities such as, among others, money markets, open and closed-end mutual funds, index futures and exchange traded funds. Generally we will not approve such a trade if we determine that the transaction is likely to have an adverse economic impact on any of the Funds. For transactions that require pre-approval, employees are generally subject to a 1-month holding period.

We have adopted procedures, in accordance with internal and SEC requirements, to monitor adherence to our personal trading policy. These procedures include:

- we distribute our Code of Ethics to all employees upon or prior to hiring;
- we provide training to all employees at the time of hiring and periodically thereafter;
- we require all new employees to submit an initial holdings report, and to provide annual updates thereafter;
- we require all employees to submit quarterly transaction reports;
- we require all employees to periodically provide duplicate copies of their brokerage statements or, if such statements are not available, transaction reports; and
- we require initial and annual certifications from all employees regarding compliance with the Code of Ethics.

We may purchase or sell for the accounts of the Funds securities in which we, our employees or affiliates have a position. As we describe above and further in our Code of Ethics, certain trades need to be pre-cleared with our Chief Compliance Officer (or his designee) who will only grant permission for the trade after determining that the transaction is not likely to have an adverse economic impact on any of the Funds. In addition, our employees may invest in the Funds.

All clients and prospective clients may obtain a copy of our Code of Ethics by writing to our Chief Compliance Officer at Laurion Capital Management LP, 360 Madison Avenue, Suite 1900, New York, NY 10017.

Item 12 - Brokerage Practices

Investment or Brokerage Discretion

Subject to each Client's established guidelines, limitations or restrictions (if any), Laurion generally has the authority to determine for each Client:

- Which securities are to be bought or sold;
- The total amount of securities to be bought or sold;
- Through which broker(s) or dealer(s) those securities are to be bought or sold; and
- The commission rates or spreads to be paid for each transaction.

Best Execution

In placing orders for the purchase and sale of securities and selecting broker-dealers to effect these transactions, Laurion's primary objective is to obtain prompt execution of orders at the most

favorable prices reasonably obtainable. When selecting broker-dealers, Laurion considers a number of factors, including, among others, the overall direct net economic result to the client (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range), the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future, error resolution, and other matters involved in the receipt of brokerage and research services, including access to research and qualified personnel. Laurion has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. Laurion does not have any formal arrangements in place to use client commission dollars, known as “soft dollars”, to pay for any products or services.

Item 13 - Review of Accounts

The Master Funds’ portfolios are monitored on an ongoing basis by Benjamin A. Smith, Janaka Sheehan Maduraperuma and the Chief Financial Officer. The Chief Financial Officer reviews each Fund in detail on a monthly basis. In addition, on a monthly basis the Chief Financial Officer reviews all brokerage/counterparty accounts that are used to produce month-end investor statements.

Investors receive account statements directly from an independent fund administrator on a monthly basis that contain unaudited performance data and an update of their accounts. Laurion may supplement these statements with weekly and monthly performance estimates, reports provided during investor meetings or as requested by Investors. Investors will also receive annual audited financial statements prepared in accordance with generally accepted accounting principles and annual tax information.

Item 14 - Client Referrals and Other Compensation

Laurion does not compensate any third parties for client or investor referrals. Laurion does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Item 15 - Custody

All Fund assets are held by unaffiliated broker/dealers or banks, all of whom are qualified custodians, as that term is defined under the custody rule under the Investment Advisers Act. An investment adviser is deemed to have custody if it acts in any capacity that gives the adviser legal ownership of, or access to, client funds or securities. Hence, Laurion is deemed to have custody of Fund assets because it or one of its affiliates either (1) acts as general partner of a Fund with the authority to dispose of funds and securities in the Fund’s accounts or (2) is deemed to have custody because of its ability to withdraw its fees directly from the Funds.

Accordingly, Laurion has developed procedures that ensure the safeguarding and protection of the Funds' assets. Such procedures include among other things, the separation of functions and dual signatory approvals for the distribution of Fund capital. In addition, the Funds are subject to an annual audit by an independent public accountant and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles, issued with an unqualified opinion, and distributed within 120 days of the Funds' fiscal year ends.

Item 16 - Investment Discretion

Laurion has discretionary authority to determine, without obtaining specific consent from the Funds or their limited partners/shareholders, the securities and the amounts to be bought or sold on behalf of the Master Funds. Any limitations on authority are included in each Fund's private offering memorandum, limited partnership agreement, and other governing documents.

Item 17 - Voting Client Securities

Since many of the Funds' positions are held for brief periods of time and a number of positions are the result of model-based trading strategies implemented predominately by computer driven programs, Laurion's general practice is to not vote proxies on behalf of the Funds. However, under extraordinary situations, Laurion may vote proxies if we believe the matter subject to vote may be material to a Client's account. Accordingly, Laurion has adopted a Proxy Voting Policy, pursuant to Rule 206(4)-6 of the Advisers Act, designed to ensure that if and when Laurion does vote proxies, it will vote prudently and solely in the economic interests of, and for the exclusive purpose of providing economic benefits to, Clients. Social, political, or other objectives unrelated to the value of the Client's investments will not be considered.

Investors may obtain a copy of our Proxy Voting Policy or a record of our proxy votes free of charge by calling (212) 938-6300 or by writing to Laurion at the address listed above.

Item 18 - Financial Information

Laurion has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.