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**Form ADV**  
**Part 2A Firm Brochure**

**March 27, 2014**

**This brochure provides information about the qualifications and business practices of Concinnity Advisors, LP. If you have any questions about the contents of this brochure, please contact us at 914 591-0117 and/or [pderby@concinnityadvisors.com](mailto:pderby@concinnityadvisors.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. Registration with the SEC does not imply a certain level of skill or training.**

**Additional information about Concinnity Advisors, LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum and related subscription materials.**

## **Item 2 - Material Changes**

There are three relevant changes or updates to report (all three are also described in Item 4. below): 1) the RSA with Diamondback was terminated on June 30, 2013; 2) GPIM added an additional fund and Concinnity Advisors, LP is the sub-advisor with discretion to this fund; and 3) As of October 1, 2013, Concinnity Advisors, LP is providing investment advisory services to an affiliated entity and not charging the affiliated entity any fees for these services.

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## **ITEM 4 - Advisory Business**

### **A. Firm Description; Principal Owners**

Concinnity Advisors, LP, a Delaware limited partnership (the “Advisor”) established in July of 2011 and commenced operations on August 31, 2011, provides investment advisory services on a discretionary basis as a sub-advisor to Guggenheim Partners Investment Management, LLC (“GPIM”), formerly known as Guggenheim Partners Asset Management, LLC (“GPAM”). GPIM is the Investment Manager (the “Investment Manager”) of the Guggenheim Concinnity Master Strategy Fund SPC, formerly known as Guggenheim Master Strategy Fund SPC, an exempted company limited by shares incorporated under the Companies Law (Revised) of the Cayman Islands and registered as a segregated portfolio company (the “Master Fund”). GPIM established the Master Fund with three segregated portfolios: (i) the Multi-Cap Segregated Portfolio; (ii) the Tactical Segregated Portfolio; and (iii) the Market Neutral Segregated Portfolio (each a “Segregated Portfolio” and collectively, with the Master Fund, and GCCSF (as defined below) the “Fund”). Concinnity Advisors, LP is the sub-advisor, on a discretionary basis, to these three segregated portfolios pursuant to an Investment Advisory Agreement with GPIM and the Master Fund dated the 31<sup>st</sup> of August 2011. On October 1, 2013 GPIM established an additional fund, the Guggenheim Concinnity Capital Stewardship Fund, LLC (the “GCCSF”) with Concinnity Advisors, LP as the sub-advisor, on a discretionary basis, to this fund pursuant to a Sub-Advisory Agreement with GPIM and GCCSF dated the 3<sup>rd</sup> of October 2013.

Also as of October 1, 2103, Concinnity Advisors, LP manages a separate account for 3D Financial Engineering LLC, the seed investor in the Segregated Portfolios and the GCCSF, and an affiliate of Peter Derby.

Concinnity Advisors, LP provided research, as of August 31, 2011, to Diamondback Capital Management, LLC (Diamondback”) pursuant to a Research Services Agreement (“RSA”) with Diamondback dated the 10<sup>th</sup> of August 2011. The RSA with Diamondback was terminated on June 30, 2013, its’ termination date.

As of March 25, 2014, the principal owners of Concinnity Advisors, LP are Peter Derby, Richard J. Frazier, Jr., 3D Financial Engineering LLC, and Concinnity 3D GP LLC, the general partner of Concinnity Advisors, LP.

### **B. Types of Advisory Services**

The Advisor provides investment advisory services on a discretionary basis as a sub-advisor to GPIM. In addition, the Advisor provides investment advisory services to an affiliated entity.

### **C. Services Tailored to Individual Client Needs**

Not applicable.

### **D. Wrap Fee Program Participation**

Not applicable.

### **E. Assets Under Management**

The aggregate assets managed by the Advisor, as of December 31, 2013, is approximately \$258,219,037. The Advisor manages assets only on a discretionary basis.

## **ITEM 5 - Fees and Compensation**

### **A. Compensation for Advisory Services**

The description of compensation requirement is inapplicable as this Brochure is delivered only to qualified purchasers as defined in Section 2(a)(51) under the Investment Company Act of 1940, as amended (the "Company Act").

Our current fee structure for our relationship with GPIM is revenue split from fees earned on the Fund. The Fund may, in the sole discretion of the Investment Manager and the Advisor reduce, waive or rebate its portion of the management fee and incentive fee with respect to any investor. Additionally, the Advisor does not charge many fees for its investment advisory services to an affiliated entity.

### **B. Fee Deductions**

Fixed management fees are deducted directly from the Fund by the fund administrator (the "Administrator") and paid to the Investment Manager and to the Advisor on a monthly basis, in arrears, based on the net asset value ("NAV") of the Fund shares. Incentive fees are deducted directly by the Administrator and paid to the Investment Manager and to the Advisor on an annual basis based on the net appreciation attributable to the fund shares. In addition, in the event that an investor redeems (or withdraws) its shares or interests or the Investment Advisor Agreement with the Advisor is terminated at any time, the incentive fee will be computed with respect to the redeemed shares or withdrawn interests, or all the outstanding shares (in the event of the termination of the Investment Advisors Agreement), as the case may be, as though the redemption (or withdrawal) or termination occurred on the last day of the calendar month.

### **C. Expenses**

The Investment Manager and the Advisor (for research related expenditures) are authorized to incur and pay in the name and on behalf of the Funds all expenses, which the Investment Manager and the Advisor deem necessary or advisable. Each Segregated

Portfolio (in which investors invest) pays its own operating expenses, including, but not limited to, a pro rata portion of the feeder fund's and the Master Fund's, ordinary and extraordinary expenses, which may include, without limitation, legal, bookkeeping, accounting, auditing, recordkeeping, administration, computer and clerical expenses (including expenses incurred in preparing reports and tax information to the investors and regulatory authorities and expenses for specialized administrative services); expenses associated with the continued offering of interests in the Fund, any future restructuring of the feeder fund and/or updates to the feeder fund's organizational and offering documents; printing and duplication expenses; investment related travel expenses, investment research expenses; market data, newswire and data processing expenses; software and connectivity charges; brokerage commissions, bank charges, custody fees and borrowing costs; exchange, board of trade or other trading or execution facility membership or participation expenses; the expenses of the offering of Interests and filing fees; Cayman Islands annual registration fees; directors' fees and associated travel expenses; directors' and officers' liability insurance; investment and operating expenses; and such other expenses necessary to perform the operation of the Fund as determined by the feeder fund in its sole discretion.

Each Segregated Portfolio will also pay any extraordinary expenses incurred (including, but not limited to, taxes, indemnification costs, litigation costs or damages) and attributable to that Segregated Portfolio.

#### **D. Advance Payment of Fees**

Fixed fees are paid in advance as of the first day of each fiscal quarter. An investor may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of a billing period. The amount refunded will be determined on a pro rata basis calculated based on the number of months remaining in the quarter.

#### **E. Compensation for Sale of Securities/Other Products**

Not applicable.

### **ITEM 6 - Performance -Based Fees and Side-by-Side Management**

Performance fees are detailed in Item 5 above. As noted above, the Advisor provides advisory services to the Fund.

### **ITEM 7 - Types of Clients**

The Advisor provides sub-advisory services to the Fund. The requirements for investing in the Fund, including minimum investment requirements, are described more fully in the Fund's offering documents.

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

### **Investment Thesis**

Our investment thesis is based on the simple premise that “well-managed” companies are more likely to maximize long-term shareholder value than poorly managed ones.

Our belief is that a well-managed company is one that creates long-term value for shareholders by meeting the needs and aligning the interests of all core stakeholders (customers, employees, suppliers and communities). We believe the ability to manage the expectations of multiple stakeholders, despite potentially diverging and conflicting interests, is an essential corporate competency that also serves as a foundation for the improvement of capitalism overall.

### **Supporting Evidence**

There should be little doubt that massive market and societal forces are changing what we expect from the companies we invest in, buy from, work for and allow to operate in our communities. This rising assertiveness by members of every stakeholder group is gradually reshaping how business is conducted. According to an article by Lisa M. Fairfax, "The Rhetoric of Corporate Law: The Impact of Stakeholder Rhetoric on Corporate Norms," published in *Journal of Corporate Law*, Vol. 31, No. 3, (2006), 88% of annual reports of Fortune 500 companies discuss activities with, and corporate commitment to, other stakeholders, ranging from employees to suppliers and creditors. Another 74% of these reports highlight the importance of such stakeholders in the first five pages of the report. And evidence of changing investor expectations is demonstrated by the more than \$3 trillion now managed by socially responsible investment funds.

We believe that the multi-stakeholder management system is critical to corporate performance primarily rests on our analysts' anecdotes of experience and their findings derived from casual models. In addition, a steady and increasing body of evidence (over 30 separate studies) further suggests that a multi-stakeholder management system leads to enhanced business performance and insulates companies during severe downturns. Many of these studies reveal positive outcomes achieved through a high quality relationship with just a single stakeholder—customers or employees for example. However, we evaluate performance indicators across all core stakeholders.

### **B. Risk of Loss**

All investments present a risk of loss of capital and are subject to investment-specific price fluctuations as well as to macro-economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments such as the financial viability, sales and product lines of corporate issuers, national and international politics and governmental events, and changes in income tax laws. The offering documents of the Fund provide more detail concerning risks associated with the investment program.

*Leverage.* The Fund may utilize bank and/or broker-provided financing in order to increase the capital available for investment. The degree of leverage that the Fund may utilize is not limited to any predetermined level, but will be subject to applicable legal, bank or broker imposed leverage limitations, to the extent applicable. The amount of borrowings the Fund may have outstanding at any time may be large in relation to its capital. Consequently, the level of interest rates, generally, and the rates at which the Fund can borrow, in particular, will affect the operating results of the Fund.

*Equity Securities.* Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitled holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments. The Fund may acquire long and short positions in listed common equities, preferred equities and convertible securities of issuers domiciled in developed or in emerging countries. The Fund may invest in equity securities regardless of market capitalization, including micro- and small-cap companies. The securities of smaller companies may involve more risk and their prices may be subject to more volatility. The Fund may also invest in distressed equity securities, which are generally considered to be riskier, speculative and relatively illiquid.

*Small- to Micro-Cap Stocks.* While smaller companies generally have potential for rapid growth, they often involve higher risks because they lack the management experience, financial resources, product diversification and competitive strength of larger corporations. In addition, the Fund may be unable to sell certain small- or micro-cap stocks at an advantageous time or price. In many instances, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. Also, due to thin trading in some of these stocks, an investment in these stocks may be considered less liquid than an investment in many larger-capitalization stocks, making purchases or sales at desired prices or in desired quantities more difficult. When making large sales, the Fund may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of the securities of smaller companies. Accordingly, such stocks may be required to be held for a lengthy period of time and often require more time to sell and result in higher selling expenses than does the sale of securities for which there is an active market.

*Trading in Options.* The risks in trading options are different from the risks in trading the underlying instruments or products, and trading in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. For example, if the Fund buys an option, it will be required to pay a "premium" representing the market value of the option. The value of an option may decline because of a decline in the value

of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset or any combination thereof. Unless the price of the underlying instrument or product changes and it becomes profitable to exercise or offset the option before it expires, the Fund may lose the entire amount of the premium. Conversely, if the Fund sells an option, it will be credited with the premium, but will have to deposit margin due to its contingent liability to deliver or accept the underlying instrument or product in the event that the option is exercised. Sellers of options are subject to unlimited risk of loss, as the seller will be obligated to deliver or take delivery of an asset at a predetermined price, which may, upon exercise of the option, be significantly different from the then-market value. The ability to trade in or exercise options may become restricted in the event that trading in the underlying asset becomes restricted.

*Trading in Exchange Traded Funds ("ETFs").* ETFs are funds that track a particular basket or index of securities traded on a public exchange. In this manner, ETFs are similar to open-ended index mutual funds. However, ETFs are traded like stocks on stock exchanges such as the American Stock Exchange. Accordingly, although investments in mutual funds and ETFs are subject to similar risks, ETFs have certain unique risks not shared by mutual funds. Some of the risks of investments in ETFs include the following: general risks associated with investing in the markets; ETFs may be purchased or sold at prices that do not match the underlying value of the stocks in the portfolio; layering of fees; risks associated with international ETFs and specialty or sector ETFs; and risks associated with distributions from ETFs.

*Commodities and Futures Trading.* Substantially all trading in commodities and futures has as its basis a contract to purchase or sell a specified quantity of a particular asset for delivery at a specified time, although certain securities, such as market index futures contracts, may be settled only in cash based on the value of the underlying composite index. Futures trading involves trading in contracts for future delivery of standardized, rather than specific, lots of particular assets. Among the risks, an investor should consider volatility, position and price limits, margin, and risks associated with an inability to liquidate an account due to the size of the account.

*Over-the-Counter and Other Derivative Instruments.* The Fund may use various derivative instruments, including options, forward contracts, swaps and other derivatives which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market-value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following: tracking (an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought); lack of liquidity; leverage; risk of non-performance in an over-the-counter instrument; lack of regulatory oversight as compared to securities traded on exchanges; and general market conditions.

*Forward Trading.* Forward contracts and options thereon, unlike exchange traded futures contracts and options on futures contracts), are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each



transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals that deal in the forward markets are not required to continue to make markets in the commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration.

*Trading in Currencies.* The Fund may be exposed in the interbank market to risks associated with any government or market action that might suspend or restrict trading or otherwise render illiquid, in whole or in part, the Fund’s position. Although certain currency trades may be affected through exchange-traded securities, the foreign currency market remains predominantly an over-the-counter market, and is therefore subject to the risks typical to over-the-counter trading.

*Illiquid Investments.* Illiquid securities may be required to be held for a lengthy period of time and often require more time to sell and result in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or for which there is an active over-the-counter market.

Past results are not necessarily indicative of future performance. There can be no assurance that the Fund will achieve its objectives or avoid substantial or total losses. Investing in securities involves risk of loss that clients should be prepared to bear.

## **ITEM 9 - Disciplinary Information**

The Advisor has no material legal or disciplinary events to disclose.

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

The Advisor has no other financial industry activities and affiliations other than the ones stated herein.

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

The Advisor has adopted a Code of Ethics and Insider Trading Policy (“Code”) to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (the “Advisers Act”). The Code includes procedures and limitations that govern the business conduct and personal securities trading of persons associated with Advisor. The Code is based upon the principle that Advisor’s employees owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions, in manner intended to avoid: (i) serving their own personal interests ahead of clients; (ii) taking inappropriate advantage of their position with the firm; and (iii) any actual or potential conflicts of interest or any abuse of their position of responsibility.

Currently, the Adviser prohibits its associated persons from trading in personal accounts. In the future, the Advisor may permit trading in personal accounts in accordance with the Advisers Act and all applicable law.

Clients and prospective clients may request a copy of the Code by contacting: Concinnity Advisors, LP, Attn: Chief Compliance Officer, P.O. Box 3, Irvington, NY 10533.

#### **ITEM 12 - Brokerage Practices**

The Advisor does not have the authority to select or recommend broker-dealers for the Fund's transactions.

#### **ITEM 13 - Review of Accounts**

The Advisor monitors on a regular basis the investable universe list that it creates annually to construct portfolios from; as well as on a regular basis the Advisor reviews the portfolio construction utilizing an optimization process to determine the trading that it may choose to engage in at the time. The Advisor reconciles the trading instructions submitted to the Investment Manager for the Segregated Portfolios and for GCCSF to an end of day trade and positions file provided by the Investment Manager to the Advisor.

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

The Advisor is currently under an exclusive relationship with the Investment Manager and is not soliciting any clients or receiving other compensation.

#### **ITEM 15 - Custody**

The Advisor is not deemed to have custody of client funds or securities.

#### **ITEM 16 - Investment Discretion**

The Fund engaged the Advisor as the Investment Adviser, with discretion, to manage the investment activities of the Fund. Investors are not required to place any limitation on this authority. Prospective investors are provided with offering documents prior to their investment and are encouraged to carefully review the offering documents. Prospective investors must execute a subscription agreement and other documents, in which they make various representations, including representations regarding their eligibility to invest in the Fund.

#### **ITEM 17 - Voting Client Securities**

Pursuant to the Advisor's investment advisory agreement with the Fund, the Advisor has the authority to vote client securities. The Advisor instructed the Investment Manager to vote the Fund's securities in accordance with the ISS Taft-Hartley U.S. Proxy Voting Guidelines. Please refer to Investment Manager's Form ADV Part 2A at [www.sec.gov](http://www.sec.gov) for information on how to obtain information about how the Investment Manager voted the Fund's securities. Investors may contact the Advisor to obtain a copy of its proxy voting policies and procedures.

**ITEM 18- Financial Information**

The Advisor is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. Additionally, the Advisor has not been the subject of a bankruptcy proceeding.

**ITEM 19 - Requirements for State- Registered Advisors**

Not applicable.