

**Alpha4X Asset Management, LLC**

**February 10, 2014**

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**This brochure provides information about the qualifications and business practices of Alpha 4X Asset Management, LLC (the “Firm”). If you have any questions about the contents of this brochure, please contact Lisa LaFianza at 212-271-1904 or [llafianza@alpha4x.com](mailto:llafianza@alpha4x.com). This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about the Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.**

Alpha4X Asset Management, LLC  
1040 Avenue of the Americas, 15<sup>th</sup> Floor  
New York, NY 10018  
Tel: 212-271-1900  
Fax: 212-308-7613  
Website: [www.Alpha4x.com](http://www.Alpha4x.com)

**Item 2: Material Changes**

This Brochure dated February 10, 2014, has been updated to replace the initial version from May 30, 2013 when we filed our application with the SEC. There are no material changes to report since our initial filing.

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#### **Item 4. Advisory Business**

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##### **Description of Advisory Firm and Principal Owners**

Alpha4X Asset Management, LLC (the “Firm”) is an investment adviser that manages pooled investment vehicles which pursue a multi-strategy/multi-product approach, mainly focused on Latin America. The Firm was formed under the laws of the State of Delaware on November 9, 2012. In a transaction agreement dated April 1, 2013, the Firm acquired the assets of Bladex Asset Management, Inc. (“BAM”), a wholly-owned subsidiary of Bladex Holdings Inc., which in turn is 100% owned by Banco Latinoamericano de Comercio Exterior, S.A. (“Bladex”). The management team responsible for providing a continuous investment program for the clients of BAM remains materially the same under the Firm. The Firm is owned by Manuel Mejia-Aoun, Urvish Bidkar, Fabio Izzo and XL Global, Inc., an indirect subsidiary of XL Group plc, which made a strategic investment in the Firm in April 2013. None of the XL group of companies, nor any of their officers, directors or employees (including, without limitation, any such XL officers, directors or employees who serve on the Firm’s Management Committee) participate in any decisions of the Firm with respect to the acquisition, disposition, financing or hedging of any investments.

##### **Description of Advisory Services**

The Firm provides advisory services on a discretionary basis to its clients, which consist of pooled investment vehicles.

##### **Tailored Advisory Services**

The Firm provides advisory services to its clients based on the investment objectives and guidelines described in the offering memorandum of each pooled investment vehicle. The Firm does not tailor advisory services to the individual needs of its clients. Clients may not impose restrictions on investing in certain securities or types of securities.

##### **Client Assets Under Management**

As of December 31, 2013, the Firm had \$122,516,961 in net client assets under management, all managed on a discretionary basis.

## **Item 5. Fees and Compensation**

The Firm charges each client a management fee of 2% based on the value of client assets under management. The management fee is payable monthly in arrears based on the value of such client assets as of the beginning of each month. The management fee is prorated for subscriptions made during a month. The management fee is negotiable.

An affiliate of the Firm is entitled to receive a performance-based allocation, which is compensation based on a share of net capital appreciation of the assets of a client, in an amount equal to 20%. The performance allocation is subject to a high watermark. In addition, the performance allocation is negotiable.

### **Payment of Fees**

The management fee and performance-based allocation are generally deducted directly from the accounts of the underlying investors in the pooled investment vehicles managed by the Firm.

### **Other Fees and Expense**

Client accounts may also pay other investment-related fees and expenses, such as brokerage commissions, interest on debit balances and borrowings, fees of consultants, specific expenses incurred in obtaining (and ongoing utilization of) systems, communications, research and other information utilized with respect to client investment programs and any withholding or transfer taxes imposed on the client. Client accounts may also pay out-of-pocket costs of administration, including accounting, audit, administration and legal expenses, any insurance, indemnity or costs of any litigation or investigation, costs associated with reporting and providing information to investors and any taxes, fees or other governmental charges levied against the client account. Investments in mutual funds or alternative funds, such as other hedge funds, have their own operating costs that are charged to the investors in these products. Costs associated with such investments include any management fee or performance-based compensation charged by such mutual fund or alternative fund. All pooled investment vehicle investors bear a pro-rata share of all expenses described.

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

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The Firm provides advisory services to a single portfolio and is entitled to receive a performance-based allocation as further described in Item 5 above.

**Item 7. Types of Clients**

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The Firm's clients consist of pooled investment vehicles. The Firm does not have any requirements for opening or maintaining an account. The minimum subscription amounts are disclosed in the offering memorandum of each pooled investment vehicle managed by the Firm.

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

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### **Method of Analysis**

The Firm employs a multi-strategy/multi-product, top-down approach to investing in Latin America, supplemented by continuous monitoring of the Latin American markets for opportunistic, short-term trading opportunities.

The Firm's method involves risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

### **Material Risks**

**Emerging Markets Risk.** The risks of non-U.S. investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

**Non-U.S. Securities.** Non-U.S. securities, foreign currencies, and securities issued by U.S. entities with substantial non-U.S. operations can involve additional risks relating to political, economic, or regulatory conditions in non-U.S. countries. These risks include fluctuations in non-U.S. currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some non-U.S. markets. All of these factors can make non-U.S. investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, non-U.S. markets can perform differently from the U.S. market.

**Relative Value Risk.** In the event that the perceived mispricing underlying the Firm's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Firm, client accounts may incur a loss.

**Arbitrage Transaction Risks.** If the requisite elements of an arbitrage strategy are not properly analyzed or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Firm is employing leverage. A specific merger, restructuring, tender or exchange offer may not be completed on the terms or within the timeframe anticipated by the Firm, resulting in losses. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

**Leverage.** Performance may be more volatile if a client's account employs leverage.

**Equity Securities.** The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

**Fixed-Income and Debt Securities.** Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in

these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

**Interest Rate Risks.** Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

**Short Selling Risk.** The Firm's investment program may include short selling. Short selling transactions expose the Firm to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Firm in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Firm might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

**Hedging.** While the Firm may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Firm's investment portfolios than if the Firm did not engage in any such hedging transactions. There can be no assurance that a particular hedge is appropriate, or that certain risk is measured properly

**Distressed Situation Risk.** Investment in distressed situations exposes the client to significant risks, including: the difficulty in obtaining information as to the issuer's true condition; regulatory risk, including laws relating to fraudulent conveyances, voidable preferences, lender liability and bankruptcy; litigation risk; liquidity risk; and collection risk (especially, when dealing with sovereign debt). Moreover, to the extent client accounts are invested in sovereign debt obligations, those investments will be subject to additional risks and considerations not present in private distressed situations, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which are affected by world events, changes in U.S. foreign policy and other factors outside of the control of the Firm.

**Derivatives.** Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Firm. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

**Item 9. Disciplinary Information**

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This Item is not applicable.

**Item 10. Other Financial Industry Activities and Affiliations**

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The Firm has a strategic relationship with XL Group plc which, through its subsidiaries, is a global insurance and reinsurance company providing property, casualty and specialty products to industrial, commercial and professional firms, insurance companies and other enterprises throughout the world. Affiliates of XL Group plc have made a meaningful investment in the Firm and certain of its pooled investment vehicles. In addition, the Firm has a strategic relationship with Bladex, which has made a meaningful long-term investment in certain of the pooled investment vehicles managed by the Firm. The Firm does not believe that these relationships cause a conflict of interest with respect to the provision of advisory services to its clients as all assets bear the same market risk.

The Firm has an affiliate, Alpha4x Asset Management Brazil Ltda, which is an investment adviser to a pooled investment vehicle in Brazil.

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

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### **Code of Ethics**

The Firm has adopted a Code of Ethics (the "Code") that obligates the Firm and its related persons to put the interests of the Firm's clients before their own interests and to act honestly and fairly in all dealings with clients. All of the Firm's personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Lisa M. LaFianza (Chief Compliance Officer) by email at [llafianza@alpha4x.com](mailto:llafianza@alpha4x.com), or by telephone 212-271-1904. See below for certain provisions of the Code as they relate to privacy/non-public information, pre-clearing and reporting of securities transactions by related persons.

The Firm, in the course of its investment management may come into possession of confidential or material nonpublic information about issuers, including issuers in which the firm or its related persons have invested or seek to invest on behalf of clients. The Firm is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Firm maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Firm is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Firm may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Firm will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, the Firm will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Firm possesses such information), or not using such information for the client's benefit, as a result of following the Firm's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

### **Investing in Securities Recommended to Clients and Personal Trading**

The Firm or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Firm or a related person recommends to clients. Such practices present a conflict where, because of the information the Firm has, the Firm or its related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Firm's or its related person's objectivity, these practices by the Firm or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed. The Firm has adopted the following procedures in an effort to minimize such conflicts: The Firm prohibits employees from trading in initial public offerings and private placements in their personal accounts. In addition, the Firm's Code prohibits the Firm or its related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Firm's related persons are required to disclose their securities transactions in their personal accounts on a quarterly basis and holdings on an annual basis and provide monthly brokerage statements. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the client accounts and reviewed against the restricted securities list.

## **Item 12. Brokerage Practices**

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### **Portfolio Transactions**

The Firm is responsible for the placement of the client portfolio transactions and the negotiation of any commissions or spreads paid on such transactions. Portfolio securities are purchased through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker 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. Securities transactions are executed by brokers selected solely by the Firm in its sole discretion.

### **Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.**

In placing portfolio transactions and negotiating commission rates, the Firm will seek to obtain the best execution for the Firm's clients, 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 (order handling ability); integrity and reputation of the broker; ability to make markets, specialization in related products, the Firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; the value and quality of research, investment strategies, special execution capabilities, clearance, settlement, custody, record keeping and other services and the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria. In selection of brokers or dealers to execute transactions for clients, the Firm does not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. With respect to its clients, the Firm is not required to allocate either a stated dollar or stated percentage of its brokerage business to any broker for any minimum time period, and reviews such relationships from time to time.

The Firm receives research provided by brokers through whom it places orders for execution on behalf of clients, as well as research developed by third parties. The Firm may consider receipt of such research, together with other factors, in selecting a broker for a transaction. However, it is the Firm's policy not to enter into formal soft dollar arrangements, and as a result, the Firm currently has no formal soft dollar arrangements in place.

The proprietary research the Firm receives provides assistance to the Firm in managing the client portfolios. The Firm receives broker-generated research reports and analyst insights on securities and trends within a particular region of the world in which the Firm has interest in obtaining exposure. This may create an incentive for the Firm to select a broker based on its interest in order to receive research or other products the broker may provide, rather than on a client's interest in receiving the most favorable execution. However, the Firm will determine in good faith that the selection is reasonable in relation to the value of such brokerage and research, viewed in terms of either the specific transaction or the Firm's overall responsibilities to the portfolios over which it exercises investment authority. An account may, however, pay higher brokerage commissions than the Firm might otherwise have been able to negotiate, or may pay more brokerage commissions based on account trading activity. In addition, the research and other benefits resulting from a brokerage relationship may benefit all accounts managed by the Firm. The research received falls within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

**Item 13. Review of Accounts**

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Each client account is reviewed by the Firm's portfolio manager on a daily basis to determine whether securities positions should be maintained in view of current market conditions. This information comes from the research component of the investment process. Matters reviewed include specific securities held, adherence to investment guidelines and risk metrics, and the performance of each client account. Other periodic reviews may be conducted by the Chief Compliance Officer or by a person designated by the Chief Compliance Officer.

Investors in the Firm's pooled investment vehicles receive reports pursuant to the terms of the relevant offering memorandum.

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

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### **Client Referrals**

Although the Firm currently has not entered into any formal soft dollar arrangements, the Firm may receive certain research or other products or services from broker-dealers through informal “soft dollar” arrangements. Such arrangements create incentive for the Firm to select or recommend broker-dealers based on the Firm’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Firm on behalf of its clients. Please see Item 12 for additional information on the Firm’s “soft dollar” practices.

**Item 15. Custody**

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This Item is not applicable.

**Item 16. Investment Discretion**

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The Firm provides investment advisory services on a discretionary basis. The Firm has the authority to determine the securities or any other investment to be purchased or sold, in accordance with the requirements outlined in the offering memorandum for a pooled investment vehicle. The portfolio may be altered at any time in the sole discretion of the Firm and without the approval of any private fund investors.

The Firm may enter into agreements, or “side letters”, with certain prospective or existing investors in pooled investment vehicles whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the applicable offering memorandum of a pooled investment vehicle. For example, such terms and conditions may provide for special rights to make future investments, special redemption rights relating to frequency or notice, a reduction or rebate in management fees or performance allocations, rights to receive reports on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated.

**Item 17. Voting Client Securities**

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The Firm, as a matter of policy and practice, has no authority to vote proxies on behalf of advisory clients. The Firm may offer assistance as to proxy matters upon a client's request, but the client always retains the proxy voting responsibility.

**Item 18. Financial Information**

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This Item is not applicable.