

Sigma Analysis & Management Ltd.

Part 2A of Form ADV

The Brochure

101 College Street, Suite 345
Toronto, Ontario M5G 1L7
(416) 260-6291
www.sigmanalysis.com

Initial Filing: February 2014

This brochure provides information about the qualifications and business practices of Sigma Analysis & Management Ltd. (“Sigma” or the “Company”). If you have any questions about the contents of this brochure, please contact us at (416) 260-6291. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Table of Contents

Table of Contents.....	2
Advisory Business	2
Fees and Compensation	2
Performance Based Fees and Side-by-Side Management	3
Types of Clients	3
Methods of Analysis, Investment Strategies and Risk of Loss.....	3
Disciplinary Information.....	5
Other Financial Industry Activities and Affiliations	5
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	5
Brokerage Practices	6
Review of Accounts.....	8
Client Referrals and Other Compensation	8
Custody	8
Investment Discretion	8
Voting Client Securities.....	8
Financial Information.....	9

Advisory Business

Sigma provides investment advisory, risk management, analytics and bespoke managed account platform services to large institutional investors (each a “client,” and collectively, the “clients”) that utilize a managed account or “fund-of-one” structure to access unaffiliated third party managers (each a “Manager,” and collectively, the “Managers”). Sigma utilizes its experience and technology to assess third party managers who advise private investment vehicles or “hedge funds.” Sigma then makes recommendations to its clients based upon that analysis.

These advisory services continue post-investment as Sigma continues to monitor Manager trading activity to provide an ongoing performance assessment of the Manager and the client’s investment. Sigma does not provide investment advice on securities or securities portfolios, but does consult with the client to ensure that third party allocations are being made in accordance with the investment objectives and policies described in each client’s policies and procedures document or similar and in accordance with any applicable governing documents concerning the Manager, the client or the client’s investment.

The Company was founded in 1999 and is owned by Dr. Luis Seco and David Rudd – see their biographies contained in Part 2B of this Form ADV (the “brochure supplement”).

Fees and Compensation

The fees received from clients vary, and may be expressed as a percentage of allocated notional risk to a particular Manager or may be a fixed fee. Where expressed as a percentage of notional risk, fees charged to clients typically range from 40 basis points to 60 basis points, charged monthly in arrears. The level of fixed fees assessed to the client will generally depend upon the level of services provided to the client. Fixed fees are charged monthly in arrears. Both types of fees will be pro-rated for any partial month that

Sigma provides investment management services to the client. The client is billed for these fees by the Manager.

Clients pay the fees and expenses associated with their managed account, which generally include management fees, performance based fees and brokerage and transaction costs. Such payments are generally made directly by the client to the Manager or brokerage firm, as applicable. However, Sigma may enter into alternative arrangements with clients whereby Sigma pays to the Managers the investment management fees and performance based fees (if any) due to the managed accounts on behalf of the client.

Sigma receives all of its compensation from the client and does not receive any fees or expenses from the Manager. Specifically, Sigma does not receive from or share in any management fees or performance fees paid by the client to the Manager, and also does not receive any solicitation or marketing fees from the Manager for the client's allocation of capital to the Manager. However, Sigma may receive an increased fee from clients in exchange for Sigma making expense disbursements on behalf of such clients.

Performance Based Fees and Side-by-Side Management

Sigma does not currently have any performance based compensation arrangements in place.

Types of Clients

Sigma provides investment advisory, risk management, analytical and managed account platform services via an internally developed process that began with one institutional client in 2006. The object was to permit the institutional investor client to enjoy complete transparency and, where possible, be subject to the liquidity of the market as opposed to the constraints and "gates" that are typically imposed by third party managers on fund investors. The business model allows the client to understand the risks and opportunities that are present even when assets are managed by third party managers and also permits clients to assess, on an ongoing basis, the performance of the Manager and the client's assets. Sigma assists clients throughout the account opening process with a Manager, including the selection of counterparties to support trading. All portfolios are constructed and managed with client input, in accordance with their investment guidelines and policies. Sigma's services are generally more cost effective with allocations by a client in excess of \$100 million.

Sigma does not offer or advise a self-sponsored fund or other investment product.

Methods of Analysis, Investment Strategies and Risk of Loss

As discussed previously, Sigma provides investment management services to clients and relies on the transparency inherent in the managed account process to provide a superior window on risk, return and skill exhibited by the Managers.

With respect to its offered advisory services, Sigma researches and identifies third party managers who advise private investment vehicles or "hedge funds," using both qualitative and quantitative factors, including, but not limited to: (1) management team reputation and integrity, (2) decision-making process, (3) ability to implement investment strategy, (4) beta, (5) correlation, (6) volatility, (7) past performance record and (8) risk control and leverage.

Sigma recommends investments in what are known as managed account or “fund-of-one” structures, which are owned by the client and directed by Managers and may pursue a variety of different investment strategies and techniques.

An investment in alternative investments via the managed account process seeks to reduce risk by holding the assets in the name of the managed account, typically structured as a limited liability company, with the client directing the movement of cash for investment, margin calls, contributions and redemptions. Despite these advantages, an investment with a Manager via a managed account involves a high degree of risk, including the risk that the entire amount invested may be lost.

The Managers, through the managed account structure, invest in securities (both long and short), fixed income products, currencies, exchange-traded and over-the-counter derivatives, and other securities, derivatives and commodities using a variety of strategies and investment techniques.

Because the investment strategies of the Managers involve significant risk factors, an investment in a managed account is suitable only for experienced and sophisticated investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. Generally, the liquidity of a managed account’s underlying assets is measured in hours and redemptions are available to clients as a matter of course and at the client’s discretion. However, Managers may be contracted who invest in less liquid markets and less liquid securities, either with the expectation of extracting an illiquidity premium or to capture unique return streams in areas such as distressed securities. As a result, clients may be forced to redeem or withdraw their investment at a price that does not accurately reflect the value of their investment, or otherwise may be faced with limited liquidity.

Sigma does not guarantee or make a representation that the client’s investment program will be successful. Leverage inherent in the types of underlying investments made by the Managers can, in certain circumstances, substantially increase the adverse impact to the client’s investment program and also increase risk of loss to any capital invested.

Sigma, in association with the client, will select Managers with the highest level of integrity. Sigma contracts out deep background reports to verify academic and professional credentials and attempts to ensure that there are no criminal or significant civil issues with a potential Manager. Sigma’s managed account oversight gives Sigma and the client a substantial and important window overlooking the day-to-day operations of the available Managers and attempts to provide an important and early alert to unreported risks, investment “style drift,” beta, lack of skill and regulatory breaches.

Even with this very close oversight and monitoring, however, there can be no assurance that Managers selected will perform in an acceptable manner. Clients should expect that some of the Managers will disappoint and underperform. Sigma does not have any direct control over the day-to-day operations of the Managers or their investment programs and cannot eliminate all risks from an investment with a Manager. For instance, key personnel and liquidity risks remain, as well as the risk of underperformance.

Counterparties recommended by Sigma, such as futures commission merchants, over-the-counter counterparties, swap counterparties and banks, generally have custody of the client’s assets. If one of these institutions is unable to fulfill its contractual obligations or there is bankruptcy or fraud at one of these institutions, it could impair the operational capabilities or the capital position of the client’s investment and increase the risk of settlement default.

Clients should consider an investment with each Manager as involving a high degree of financial risk and should therefore carefully consider all risk factors set forth in the relevant offering documents of the Manager. While the assets in a managed account program are typically held in the name of the client, the

Manager's offering document should be carefully reviewed by the client before deciding to make an investment. Clients should be financially prepared to lose all or substantially all of their investment with a Manager. Investors should look for peer references and carefully review Sigma's expertise, offering and process before investing with a Manager or using Sigma's services.

Disciplinary Information

Sigma and its management have not been involved in any legal or disciplinary events in the past 16 years (since inception) that would be material to an investor's evaluation of the Company or its personnel.

Other Financial Industry Activities and Affiliations

Sigma has no related entities.

Sigma has been registered since 2002 with the Ontario Securities Commission ("OSC") as a "Portfolio Manager" and a "Commodity Trading Manager." This designation is mandated for any Ontario-based entity who is providing advice, whether in a sponsored investment vehicle or to a third party, irrespective of whether the entity exercises discretion. Sigma intends to maintain this registration.

Registration as a Portfolio Manager and Commodity Trading Manager does not imply that the OSC has made any recommendations as to an investment with a Manager through a managed account or the use of Sigma's services, or passed upon the adequacy or accuracy of this brochure.

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

To help avoid any potential conflicts of interest involving personal trades, Sigma has adopted a Code of Ethics ("Code of Ethics"), which requires, among other things, that all employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of Sigma above the employee's own personal interests;
- Adhere to the fundamental standard that an employee should not take inappropriate advantage of such employee's position;
- Avoid any actual or potential conflict of interest;
- Advise and seek approval from Sigma's Chief Compliance Officer ("CCO") before engaging in personal securities transactions. Exchange traded funds and index transactions are exempted from this policy;
- Use reasonable care and exercise independent professional judgment when providing advice and analysis with respect to a Manager or engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on oneself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;

- Maintain and improve an employee's professional competence and strive to maintain and improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

Sigma's Code of Ethics also requires employees to: (1) pre-clear most personal securities transactions with the CCO; (2) report personal securities transactions to the CCO on at least a quarterly basis; (3) provide the CCO with a detailed summary of certain holdings (both upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest; and (4) arrange for duplicate copies of all brokerage statements relating to personal trading accounts to be sent to the CCO directly from the broker.

Clients may obtain a copy of Sigma's Code of Ethics by contacting David Rudd, CCO, by telephone at (416) 848-8906.

Brokerage Practices

Sigma does not maintain brokerage accounts in Sigma's name and relies instead on the Managers to execute securities transactions for the client, typically *pari passu* to their respective private investment fund. These transactions are customarily executed by a broker or dealer selected by the Manager and "given up" to or transferred to the account of the client at the bank or prime broker designated by the client.

Mistakes in execution by the brokerage firm or by the Manager may adversely impact the client's investment program. Brokerage fees, commissions as well as stock loan fees are obligations of the client, and can be substantial. Some Managers may allocate portfolio transactions to brokers in consideration of such brokers' provision of, or payment of the cost of, certain services that are of benefit to the managed account and/or other clients of that Manager. In such circumstances, transactions for the managed account are usually allocated to brokers in consideration of such factors as price, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, responsiveness, strength, quality of coverage and financial responsibility and, in the case of brokers used to effect securities transactions, the provision or payment (or the rebate to the managed account for payment) of the costs of brokerage or research products or services. The Managers will allocate transactions to brokers on the basis of best execution so that the total brokerage cost is the most favorable under prevailing market circumstances, but need not solicit competitive bids and do not have an obligation to seek the lowest available commissions or other transactions costs. Accordingly, if a Manager determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and research or investment management-related services and equipment provided by such broker, the managed account may pay commissions to such broker in an amount greater than the amount another broker might charge. Finally, the relationships with brokerage firms that provide services to the Managers may influence the Managers' judgment in allocating brokerage business and create a conflict of interest in using the services of those brokers to execute the managed accounts' brokerage transactions.

Research or investment management-related services and equipment provided by brokers through which transactions for a managed account are executed, settled and cleared may include research reports on particular industries and companies, economic surveys and analyses, financial publications, discussions with research personnel, recommendations as to specific securities, on-line quotation systems, news and research services and other services (e.g., computer and telecommunications equipment, which shall include updates, improvements, maintenance, modifications, repairs and replacements) providing lawful and appropriate assistance to the Managers in the performance of their investment decision making responsibilities on behalf of the managed accounts and other accounts which they manage (collectively

“soft dollar items”). Although the Managers may participate in such soft dollars items, Sigma as a policy does not do so.

In addition to the factors described above, the Managers may consider a broker’s referrals of investors to other accounts managed by the Managers or the potential for future referrals. As with soft dollar payments for research or services, in some cases the transaction compensation paid might be higher than that obtainable from another broker who did not provide, or undertake to provide, referrals. Awarding transaction business to brokers in recognition of past or future referrals may involve an incentive for the Managers to cause the managed accounts to effect more transactions than it might otherwise do to stimulate more referrals.

Soft dollar items may be provided directly by brokers, by third parties at the direction of brokers, or purchased by the managed account with credits or rebates provided by brokers. Soft dollar items may arise from over-the-counter principal transactions, as well as exchange traded agency transactions. Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

A Manager may use soft dollar items in certain circumstances, provided that the managed account and/or other clients of that Manager do not pay a rate of commissions in excess of what is competitively available from comparable brokerage firms for comparable services, taking into account various factors, including commission rates, financial responsibility and strength and ability of the broker to efficiently execute transactions. Non-research products acquired by a Manager through the use of “soft dollars” are outside the parameters of the “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934, as are transactions effected in futures, currencies or certain derivatives. Certain soft dollar items received by a Manager on behalf of a managed account may fall outside the “safe harbor” of Section 28(e), in which case they will be permitted under specific authority contained in the managed account’s governing documents.

Additional costs could be incurred in connection with a managed account’s non-U.S. investment activities. Non-United States brokerage commissions generally are higher than those in the United States. Increased custodial costs as well as administrative difficulties (such as the applicability of foreign laws to foreign custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in non-United States jurisdictions.

The Managers possess discretionary trading authority over the accounts of clients other than the managed accounts and, from time to time, may engage in trading activities for accounts of their officers, shareholders, members and/or affiliates or related entities. The same security may be purchased or sold at or about the same time for both the managed accounts and other accounts managed or advised by the Managers or their affiliates or related entities. In the likely event the orders are combined, transactions will be allocated as the Managers, in the Managers’ sole discretion, may determine. The allocation of trades in this manner may in some instances result in the allocation of trades to the managed accounts at prices less favorable than could have been obtained had the trade been executed on an isolated basis.

Although Sigma may have the discretion to directly engage in brokerage transactions on behalf of the client, either to hedge general market risk or to reduce exposure in truly exceptional circumstances when the client cannot respond, it does not currently do so other than for currency hedging and cash management transactions in some authorized instances. If Sigma is authorized by the client to engage in

such transactions for currency hedging and cash management, Sigma will allocate transactions to brokers approved in advance by the client.

Review of Accounts

Sigma provides clients with ongoing reporting and monitoring of their managed account, as well as the Manager's performance and trading activity. Sigma performs reviews of manager investment themes, monitors style drift and provides trend analysis and other performance analytics. Such monitoring is performed and available to clients on a daily basis via the client web portal.

In addition, Sigma conducts a monthly conference call with each Manager to review the previous month's investment decisions and to learn of any prospective changes in the Manager's investment outlook and strategy. Sigma incorporates the information received from the Investment Manager in a full investment report delivered monthly to the client. This report forms the basis for a review of individual risk, return, correlation and attribution information for each Manager and for the overall portfolio and is delivered for each managed account during an in-person meeting with the client. Sigma uses this monthly meeting as a forum to make recommendations and to review potential adjustments to the portfolio.

Sigma also monitors any applicable investment management agreement limits and client-specific investment restrictions. In addition, Sigma monitors the administrator in its production of net asset value statements to the client.

Sigma also provides clients with management level reporting and client-specific compliance monitoring.

Luis Seco, Phd, President and Chief Executive Officer; David Rudd, Chairman and CCO; and Terence Ram, Chief Financial Officer and Chief Operating Officer; are the registered officers of the Company and each assists in the review of accounts and is supported by Sigma staff.

Client Referrals and Other Compensation

Sigma does not have any referral agreements with unaffiliated third-party solicitors, finders and servicing agents that assist it in establishing investor relationships for a fee.

Custody

Client assets for the managed accounts are held in custody for the benefit of the client by unaffiliated brokers and banks.

Investment Discretion

Subject to the objectives and investment policies described in each clients' policies and procedures document or similar and in accordance with any applicable governing documents concerning the Manager, the client or the client's investment, Sigma may exercise discretion in exceptional circumstances in the best interest of the client when time is of the essence.

Voting Client Securities

Sigma is cognizant of the proxy guidelines that typically are contained in the investment policy of its clients. Sigma does not vote for or act as a proxy for any client. However, Sigma does work with Managers to ensure that the votes, proxy proposals, amendments, consents and/or resolutions are cast in a manner that serves the best interests of Sigma's clients. As evidence, Sigma requires an annual summary of the resolutions put and the votes cast on behalf of the client. Sigma does not have voting policies and procedures that are independent of the client's.

Financial Information

Neither Sigma nor any of its officers has ever filed for bankruptcy. Sigma is not aware of any financial condition that is expected to affect its ability to provide the services described herein.

Sigma Analysis & Management Ltd.

Part 2B of Form ADV

The Brochure Supplement

101 College Street, Suite 345
Toronto, Ontario M5G 1L7
(416) 260-6291
www.sigmanalysis.com

Initial Filing: February 2014

This brochure supplement provides information about Luis Seco, David Rudd and Terence Ram that supplements the Sigma Analysis & Management Ltd. (“Sigma” or the “Company”) brochure. You should have received a copy of that brochure. Please contact Sigma’s Chief Compliance Officer, David Rudd, at (416) 848-8906 if you did not receive Sigma’s brochure or if have any questions about the contents of this supplement.

Mr. Seco can be reached 647-891-8650 and at 101 College Street, Suite 345, Toronto, Ontario, Canada M5G 1L7. Mr. Rudd can be reached at 416-848-8906 and at 101 College Street, Suite 345, Toronto, Ontario, Canada M5G 1L7. Mr. Ram can be reached at 416-848-0337 and at 101 College Street, Suite 345, Toronto, Ontario, Canada M5G 1L7

Additional information about Messrs. Seco, Rudd and Ram is available on the SEC’s website at www.adviserinfo.sec.gov.

Dr. Luis Seco's Biographical Information

Luis A. Seco is a Sigma co-founder and was born in Spain in 1962. He is Chief Executive Officer and President of Sigma. In addition to his responsibilities as Chief Executive Officer, and portfolio manager, he is a full professor at the University of Toronto and the Director of the Masters in Mathematical Finance Program. He is also a director of RiskLab, a risk management co-operative initiative between business and academia. Dr. Seco completed his undergraduate degree in mathematics at the University of Madrid in 1985 and received his Phd in Mathematics from Princeton University in 1989. He taught at The California Institute of Technology (Cal Tech) from 1989 to 1992 before joining the University of Toronto.

Disciplinary Information

Dr. Seco has not been involved in any legal or disciplinary events that would be material to an investor's evaluation of Dr. Seco or Sigma.

Other Business Activities

Dr. Seco is not actively engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Sigma, other than academic compensation for teaching.

Additional Compensation

Mr. Seco does not receive economic benefits from any person or entity other than Sigma in connection with the provision of investment advice.

Supervision

Dr. Seco's investment recommendations are overseen by the supervised persons named in this brochure supplement. Dr. Seco's activities are also overseen by the Chief Compliance Officer, David Rudd. Any of these individuals can be reached directly by calling the relevant telephone number on the cover of this brochure supplement.

David Rudd's Biographical Information

David Rudd is a Sigma co-founder and was born in Canada in 1950. He is Chairman and Chief Compliance Officer of Sigma, and is registered as "Commodity Trading Counsel" with the Ontario Securities Commission. Prior to co-founding Sigma, Mr. Rudd was Senior Vice President of Refco Futures Canada from 1992 to 1999. Prior to that, he was a Vice President of Dean Witter Reynolds Canada from 1985 to 1992. He began his career in the investment industry in 1979 as an institutional futures broker at Merrill Lynch in 1979. Prior to that, he was a pension and systems analyst with Tomenson Alexander, a pension consulting firm. Mr. Rudd received his Bachelor of Arts in Economics from York University in 1972. He was on the Board of the Toronto Futures Exchange in the 1990's and was Chairman of the Derivatives Committee of the Montreal Futures Exchange. He is currently co-chair of the AIMA Canada Managed Futures Committee. These committee and board appointments were made in recognition and anticipation of benefitting from of Mr. Rudd's experience in the futures area; both for interest rate and equity hedging as well as fund management.

Disciplinary Information

Mr. Rudd has not been involved in any legal or disciplinary events that would be material to an investor's evaluation of Mr. Rudd or Sigma.

Other Business Activities

Mr. Rudd is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Sigma.

Additional Compensation

Mr. Rudd does not receive economic benefits from any person or entity other than Sigma in connection with the provision of investment advice.

Supervision

Mr. Rudd's investment recommendations are overseen by Luis Seco. His general activities for Sigma are overseen by the supervised persons named in this brochure supplement. Mr. Ram reviews Mr. Rudd's personal trading activities. Any of these individuals can be reached directly by calling the relevant telephone number on the cover of this brochure supplement.

Terence Ram's Biographical Information

Terence Ram joined Sigma in 2007 as Chief Financial Officer and was subsequently appointed Chief Operating Officer. Mr. Ram was born in Malaysia in 1969, and immigrated to Canada at the age of 14. He graduated with a Bachelor of Commerce from Queen's University in 1992. He joined Ernst & Young and received his Chartered Accountant designation (CA) in 1995. He worked as a business analyst at Canadian Tire and received his Master of Business Administration from Harvard University in 2000. He joined Goldman Sachs as an analyst in 2000, and in 2002 he joined a Canadian fixed income hedge fund, Cornerstone Capital Partners, as Vice President, Operations.

Disciplinary Information

Mr. Ram has not been involved in any legal or disciplinary events that would be material to an investor's evaluation of Mr. Ram or of Sigma.

Other Business Activities

Mr. Ram is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Sigma.

Additional Compensation

Mr. Ram does not receive economic benefits from any person or entity other than Sigma in connection with the provision of investment advice.

Supervision

Mr. Ram does not make investment decisions, but his general activities for Sigma are overseen by the supervised persons named in this brochure supplement. Mr. Ram's activities are also overseen by the Chief Compliance Officer, David Rudd. Any of these individuals can be reached directly by calling the relevant telephone number on the cover of this brochure supplement.