

This brochure provides information about the business and qualifications of Cube Capital Investment Management Limited (“**Cube**”). If you have any questions about this brochure, contact us at [info@cubecap.com](mailto:info@cubecap.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 Cube is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Please note that being a “registered investment adviser” or describing ourselves as “registered” does not imply a certain level of skill or trading. This brochure does not constitute an offer to sell or a solicitation of an offer to buy any securities in any fund. Any such investment must be made solely on the basis of the relevant offering materials relating to such fund.

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# Cube Capital Investment Management Limited

## Part 2A Form ADV Firm Brochure



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## Management Business

Cube is incorporated as a limited liability company in England & Wales with Company Number 4444759. Its registered office is at Fourth Floor, 180 Great Portland Street, London W1W 5QZ.

Cube's business has operated since 2004. As a limited liability company, Cube's shareholder is Cube Capital Holdings Limited. The primary ultimate beneficial owners of Cube Capital Investment Management Limited are Cube's founding partners, who are Francois Buclez, Oleg Pavlov and Alan Sipols. Appendix I sets out the biographies of the founding partners.

Cube generally provides investment management services to other companies in the Cube group (the "**Cube Group**").

These services generally relate to the following funds and/or assets managed by the Cube Group:

- multi-manager funds (Cube Global Multi-Strategy Fund); and
- single strategy hedge funds (Cube Global Opportunities Fund);

On occasions Cube may also provide investment advice and consulting services to investors who may include high net worth individuals, trusts and investment companies.

In connection with providing the above services, Cube advises and/or provides management services in respect of approximately US\$1020 million of client assets, as at June 2014.

## Management Fees and compensation

As consideration for the services to the Cube Group, Cube receives a management fee from its managed funds. These fees are paid to the firm at least once at the end of each quarter.

If Cube directly advises investors, it generally receives a fee for such services, which may be fixed and/or based on a formula, as may be agreed on a case by case basis. Such fees may be deducted from any returns generated for such investment, or invoiced and paid separately, as negotiated with the client according to the type of service provided and the nature of the investment. Cube may also charge its clients expenses, as agreed in each case.

Cube does not participate in wrap fee programs. Neither does Cube undertake any brokerage or securities sales services, so it does not charge brokerage fees.

## **Performance Based Fees and Side by Side Management**

Cube may receive performance fees, which are usually based on a percentage of the annual increase in value of the relevant investment. Such performance fees may create an incentive for the manager to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. There are no other conflicts of interest generally faced by the Cube Group in connection with the payment of such fees.

## **Types of Clients**

Our services are generally only provided to experienced investors, including fund managers, trusts, wealthy individuals, institutional money managers etc. The majority of Cube's clients are the investment funds in the Cube Group.

In order to buy Interests in recommended private investment funds, the client must classify as an "accredited investor" as defined under Rule 501(a) of Regulation D under the Securities Act of 1933 and/or as a "qualified purchaser" as defined under Section 2(a)(51) of the Investment Company Act of 1940.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Cube employs a wide range of methods to evaluate investments, including fundamental analysis, some aspects of technical analysis and analysis of economic, market, industry, firm and product cycles and trends. Cube's investment philosophy is eclectic and opportunistic, with an emphasis on:

- dynamic allocation across strategies
- cautious management of risk, liquidity and diversification; and
- the active selection of dislocation opportunities.

Cube continually adapts its investment strategies to market conditions and its clients' needs.

The sources of information used by Cube in connection with its activities vary, depending on the activity and/or investment, but include offering documentation, databases, websites, analyst research reports, financial news and quotation services and inspections of company activities and/or assets.

The material risks for each investment strategy will vary, but may include counterparty risk, exposure to economic, legal, government, political and/or social risk in certain jurisdictions, and liquidity risk of underlying investments.

In general, the investment approach and material risks relevant to each investment will be considered fully in connection with any investment, and will also be described in any offering or other documentation in

connection with that investment. Despite this, the nature of the investment products managed by the Cube group mean there are only suitable for investors who can bear the risk of losing their entire investment.

## **Disciplinary Information**

There are no legal or disciplinary events that are material to any client's or prospective client's evaluation of our business or the integrity of our management.

## **Other Financial Industry Activities and Affiliations**

No management persons are registered, or have an application pending to register, as broker dealer or a registered representative of a broker dealer.

No management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Save as disclosed above, in relation to investment managers and investment funds in the Cube Group of companies, Cube does not have any relationships or arrangements that are material to our advisory business or to our clients with any related person listed below:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle, including a mutual fund, closed end investment company, unit investment trust, private investment company or "hedge fund" and offshore fund
- other investment adviser or financial planner
- futures commission merchant, commodity pool operator, or commodity trading advisor
- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer

- sponsor or syndicator of limited partnerships.

Cube does not recommend or select other investments advisers for its clients unless an overseas business partner is required in relation to the management a particular asset or platform.

## **Code of Ethics, Client Transactions and Personal Trading**

Cube has adopted a Compliance Manual and Conflicts of Interest Policy pursuant to SEC Rule 204A-1, which requires, among other things, all employees and partners to disclose:

- any conflicts of interest;
- personal share dealings; and
- their securities holdings.

Cube is currently licenced by the UK Financial Conduct Authority and has a compliance manual which addresses the above issues. A copy of Cube's Compliance Manual and related policies will be made available to any client or prospective client on request.

Cube Group companies invest in Cube Group managed funds, although this is intended to align the Cube Group's interests with investors in such funds, rather than creating a conflict of interests.

Cube's services to other Cube Group companies includes marketing funds managed by such companies and in respect of which such companies receive a management and performance fee.

## **Selection of Broker Dealers**

Cube has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. In selecting broker-dealers with whom to place orders for purchases and sales of securities on behalf of our clients, the Firm's primary objective is to obtain best price and execution – that is, prompt, errorless, execution of orders at the most favorable prices reasonably obtainable. In doing so, the Firm considers a number of factors, including, without limitation:

- 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 of the broker-dealer,
- the reputation and stability of the broker,
- the efficiency with which transactions are generally executed,

- the ability to effect the particular transaction,
- the availability of the broker-dealer to stand ready to execute difficult transactions in the future, and
- other matters involved in the receipt of brokerage and research services.

Cube will also consider the quality of firms with which it seeks to execute client orders, the adequacy of lines of communication, timeliness of reports of order execution, the capacity to accommodate unusual trading volume and the preservation of client anonymity, among other factors.

### **Soft Dollars Arrangement**

As a matter of policy, Cube does not pay a commission in order to receive research or other services and, except in unusual circumstances, the commission negotiated would not exceed the Firm's normal rate. Research or other services which may be received as a result of transactions executed in client accounts are used to benefit all of the Firm's investment advisory clients.

### **Brokerage for Client Referrals**

Cube does not consider, in selecting or recommending a broker dealer, whether Cube or a related person receives client referrals from that broker-dealer.

### **Directed Brokerage**

Cube does not accept clients who require us to execute transactions through a specified broker-dealer. Clients may recommend that we use their preferred broker-dealer(s). Cube will use such broker-dealer(s) subject to our determination that said broker-dealer provides best execution of client transactions.

### **Aggregation (Bunching) of Trades**

Securities transactions in investment advisory accounts are normally implemented on a consistent basis across accounts. In order to accomplish this, orders are aggregated (bunched) and allocated fairly to the nearest round lot. In addition to considerations of equity, bunching avoids placing competing orders, improves order management, and may, because of larger order size, permit some degree of price improvement relative to a series of individually placed orders.

### **Review of Accounts**

Cube continually reviews the portfolios of the funds in respect of which it provides its services. The specialist investment teams who have primary responsibility for the services review the portfolios on a regular basis, the frequency of which will be dictated by the nature and type of investment strategy. For example, portfolios comprising less liquid assets may be reviewed weekly or monthly, whereas liquid portfolios of traded securities will be reviewed at least daily. Cube's risk committee also periodically review the portfolios to ensure they remain within stated parameters.

Cube also co-ordinates the preparation of briefings to underlying investors in Cube managed funds. The frequency of such briefings varies from fund to fund, but is usually monthly to coincide with the publication of the month end net asset value.

### **Client Referrals and other Compensation**

Cube does not receive any benefits from third parties for providing services to its clients. The firm pays third party marketers and banking platforms fees for introducing investors to Cube Group managed funds. Such fees are documented and negotiated on an arm's length basis.

### **Custody**

Cube does not take custody of client funds or securities.

### **Investment Discretion**

Cube's discretion in connection with any asset management activities is subject to parameters specified by the investment management agreements between the firm and the managed funds as well as the strategy limitations and restrictions in the offering memorandums of the managed funds.

### **Voting Client Securities**

Cube generally does not accept authority to vote the securities owned by its clients. Cube Group companies may hold voting rights in connection with certain illiquid investments in respect of which investors have an interest (typically private equity type investments where voting rights or consent is conferred under a joint venture or similar agreement). Such voting rights are held in order for the relevant Cube Group party to perform its asset management services in connection with such investment.

### **Financial Information**

Cube does not require or solicit pre-payment of any fees from its clients. Cube's business has not been the subject of a bankruptcy petition at any time since incorporation.

## Appendix

### Biographies of Founding Partners of the Cube Group

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**Francois Buclez** is the CIO and CEO of the Cube Capital group as well as a founding partner. Francois chairs the Investment Committee and is a member of the Management Committee. Francois has 24 years' experience in investment management, derivatives trading and investment banking. Prior to founding Cube in 2003 he was a Managing Director in the CSFB Emerging Markets group between 1994 and 2003 where he headed the investment efforts in Moscow. Between 1989 and 1994 Francois worked for Credit Agricole Indosuez where he was a derivatives trader involved in equity, FX and fixed income markets. In 1989 Francois was awarded an MBA (specialised in International Finance) from HEC Paris and he also holds an MSc from ESME Paris.

**Oleg Pavlov**, CFA, is a corporate finance professional with over 19 years' experience in mergers and acquisitions (M&A), debt restructurings, initial public offerings (IPOs), private placements, equity-linked issues and corporate governance turnarounds in Russia and the EMEA region. Oleg is the CIO of Real Assets and also sits on the Investment Committee. Between 1995 and 2003, Oleg served as executive director with Brunswick UBS (now UBS Investment Bank) in Moscow, where he was responsible for the bank's Russian investment banking coverage. He has also worked as a strategic management consultant with AT Kearney between 1994 and 1995, advising Fortune 500 companies on emerging market strategies. Oleg received his MSc from Moscow State University and he has been a member of the CFA Institute (formerly the AIMR) since 1998.

**Alan Sipols** is the Chief Risk Officer and a founding partner of Cube Capital. He is responsible for risk oversight and strategic management. Alan is also a member of the Risk and Investment Committees. Alan has over 24 years' experience as an investment professional in structuring and managing private holdings. Between 1997 and 2003, Alan co-ordinated debt restructuring, capital markets and alternative investment programs for a large Russian finance holding. In 1992 Alan graduated from Moscow's State Academy of Management with a summa cum laude degree in Economic Cybernetics which developed his skills in mathematical and computer modelling of complex systems focused upon economic risk. He later worked for various smaller investment companies including Phoenix in New Delhi, between 1995 and 1996 and Sovlex /Montgomery Securities in Moscow and San Francisco between 1992 and 1994. His responsibilities at these companies included assessing risks in strategic acquisitions, portfolio investments and client relationship management.