

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

### **Alistair Capital Management, L.L.C.**

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This brochure provides information about the qualifications and business practices of Alistair Capital Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at 214.756.6085 and/or [info@alistaircapital.com](mailto:info@alistaircapital.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 Alistair Capital Management, L.L.C. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.

**Item 2. Material Changes**

There have been no material changes since the last published Form ADV Part 2A dated March 31, 2015. Alistair Capital Management (“ACM”) is providing this brochure for its 2015 application for registration as an investment adviser with the SEC.

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

##### **Advisory Firm Description**

Alistair Capital Management, L.L.C. (“ACM”, “Alistair” or the “Firm”) has been in business since March 2009. The principal owner is Casey H. Nelson.

##### **Types of Advisory Services**

ACM will provide portfolio management to a private investment fund and may provide services to certain parallel investment entities (collectively referred to herein as the “Fund”).

The objective of the Firm is to deliver superior absolute returns while minimizing the risk of permanent loss through a long/short strategy of investments in publicly traded securities, including, but not limited to, stocks, bonds, loans, exchange traded funds, futures and options. For further discussion of these and related items, please see Item 7 (Types of Clients) and Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss).

ACM anticipates the Fund will be exempt from registration under the Investment Company Act of 1940. Interests in the Fund will be offered to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions.

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

Clients generally cannot impose restrictions on investing in certain securities, but may enter into agreements with ACM on an individually negotiated basis.

##### **Wrap Fee Programs**

No wrap fee programs are currently in place.

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

As of March 31, 2015 ACM has no discretionary regulatory assets under management. The Firm does not manage assets on a non-discretionary basis.

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

ACM is currently not charging any fees, but anticipates receiving a management fee (the “Management Fee”) at an annual rate of one percent (1%) of the capital account balance of each of the Fund’s limited partners (“Investors”). The Management Fee will be calculated and payable quarterly in advance. Investors generally will be permitted to make withdrawals on the last Business Day of each fiscal quarter, so generally there will be no pre-paid fees to be refunded.

However, for any withdrawals or redemptions within a calendar quarter the Management Fee will be adjusted pro rata and added back to the Investor's capital account balance. ACM may vary, reduce or eliminate the Management Fee with respect to any Investor in its sole discretion.

All fees will be deducted directly from Investors' capital accounts. In addition to Management Fees and performance fees (which are discussed in the section below), the Fund will pay additional fees and expenses.

The Fund will bear the expenses of the organization of the Fund and the offering of Interests (including legal and accounting fees, printing costs, travel, "blue sky" filing fees and expenses and out-of-pocket expenses). In general, the Fund's financial statements will be prepared in accordance with accounting principles generally accepted in the United States.

The Fund will bear all costs and expenses directly related to its investment program, including expenses related to proxies, underwriting and private placements, brokerage commissions, interest on debit balances or borrowings, custody fees and any withholding or transfer taxes imposed on the Fund. The Fund also will bear all out-of-pocket costs of the administration of the Fund, including accounting, audit and legal expenses, costs of any litigation or investigation involving the Fund's activities, and costs associated with reporting and providing information to existing and prospective Investors. However, the Firm or its affiliates may, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Fund.

For a further discussion of brokerage and other transaction costs, please see Item 12 (Brokerage Practices).

<b>Item 6. Performance-Based Fees and Side-By-Side Management</b>
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ACM is currently not charging any fees, but anticipates charging the Fund a 20% performance fee, subject to a high water mark, i.e. twenty percent (20%) of each Investor's net profits for the applicable period are paid to ACM so long as the Investor is above its highest net asset value previously seen at the end of the last full or partial fiscal year on which ACM charged said Investor a performance fee.

This performance fee generally will be calculated and charged to each Investor at the end of each fiscal year, or earlier if an Investor makes a transfer of its interest or a full or partial withdrawal.

ACM anticipates a similar fee structure for all clients, although certain strategic and/or affiliated Investors may be charged discounted fees. With performance fees charged to all, there is less conflict with clients than if some accounts were charged such a fee and others not.

**Item 7. Types of Clients**

ACM will provide investment management services for private pooled investment vehicles. Investors must qualify as both “accredited investors” and “qualified clients”. Investors may include, but are not limited to, other pooled investment vehicles, investment companies, corporations, trusts, high net worth individuals, family offices, foundations, endowments and other charitable organizations.

The Fund has a minimum initial capital commitment amount of \$1,000,000, although investments of a lesser amount may be accepted.

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

The objective of the Firm is to deliver superior absolute returns while minimizing the risk of permanent loss through a long/short strategy of investments in publicly traded securities.

Specifically, the Firm will emphasize situations for investment by the Fund where it believes companies have been overlooked or are misunderstood by other market participants.

For example, the Fund will often invest in securities that have at least one of the following characteristics:

- Small equity capitalizations (under \$2B)
- Limited analyst coverage
- Recently spun-off
- Recently emerged from bankruptcy
- Part of a “stub” situation
- Complex or misleading accounting
- Unnatural owners, such as merger securities
- Undergoing a change in control, capital structure or strategy

Factors that will be of significant consideration with regard to an investment for the Fund include valuation, the Firm’s overall understanding of the industry, the quality of the business, the alignment of decision-makers’ interests and the Firm’s assessment of how much better it understands the company than other market participants.

With regard to valuation of a company, the Firm will consider liquidation value, replacement cost, sustainable free cash flow, opportunities for value enhancement through reconfiguration, recapitalization or merger and acquisition activity, and high return growth opportunities. Attractive investments are those priced significantly below the estimated intrinsic value and/or have catalysts to close a price/value gap. The Firm will generally avoid investing in industries which it does not fully understand. Investing in an industry where the Firm does not have previous experience would require a greater margin of safety to be attractive.

The Firm will aim to invest in businesses with sustainable competitive advantages, useful products or services, clean accounting and management teams that are honest, competent and well-aligned. The Firm will look for the inverse qualities in short candidates, particularly misleading accounting, off-balance sheet liabilities, misaligned and dishonest management and unwarranted valuations.

Positions in the Fund's portfolio will be intensively researched. Typical research will include:

- Reading SEC and other regulatory filings, conference call transcripts, and company presentations
- Researching the company's products or services to understand their value proposition
- Analyzing competitors to evaluate relative competitive positions
- Reviewing historical industry data and speaking to industry participants to assess a company's exposure to key secular trends and cyclical risk factors
- Appraising management's incentives and track record of execution
- Developing multiple valuation methodologies

The Firm will construct a portfolio for the Fund that is driven predominantly by the bottom-up research described above, with some additional top-down considerations, such as macroeconomic data and diversification.

The investment objectives and methods summarized above represent ACM's current intentions. Depending on conditions and trends in the securities markets and the economy in general, ACM may pursue any objectives, employ any investment techniques or purchase any type of security that they consider appropriate and in the best interests of the Fund whether or not described in this section. The foregoing discussion includes and is based upon numerous assumptions and opinions of ACM concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the Fund's investment strategy will achieve profitable results.

### **Certain Risk Factors**

The Firm does not guarantee the future performance of the Fund or any specific level of performance, or the performance of any investment decision or strategy that the Firm may use. Investment decisions the Firm makes for the Fund are subject to various credit, market, currency, economic, political and business risks. Making large commitments to single companies exacerbates these risks. Additionally, purchasing investments with leverage increases the risk of losses to investors or clients. The Firm manages these risks by setting limits to leverage and concentration. These limits are monitored on a daily basis. Please see the Fund documents for a more thorough and detailed discussion of additional risks. Investors and clients are reminded that investing in securities may entail losses which the investors or clients must be willing to bear.

There can be no assurance that we will achieve our investment objectives. Our investment program involves a substantial degree of risk and is intended and appropriate only for prospective investors, whose sophistication and financial resources are sufficient to enable them to evaluate such an investment and to assume such risks, including the risk of complete loss of their investment.

Prospective investors should carefully consider the following risk factors, among others, before making any investment decisions. Prospective investors are urged to consult with their own financial, legal, and tax advisors before making any investment decision. The various risks discussed below are not the only risks associated with an investment. Often, the most serious risks end up being risks that have not been identified in advance; any investment is subject to many such unidentified risks, any of which could result in a complete loss of such investors. These risks are qualified in their entirety by the risks set forth in the offering document of the Fund.

Prospective investors should give careful consideration to the following factors in evaluating the merits and suitability of an investment in an Interest in the Fund:

*Investment Judgment; Market Risk.* The profitability of a significant portion of the Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Firm will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Fund, there is always some, and occasionally a significant, degree of market risk.

*Reliance on Key Person.* The Fund will be substantially dependent on the services of Casey H. Nelson. In the event of the death, disability, departure or insolvency of Casey H. Nelson, or the complete transfer of Casey H. Nelson's interest in the Firm and its affiliates, the business of the Fund may be adversely affected. Mr. Nelson will devote such time and effort as he deems necessary for the management and administration of the Fund's business. However, Mr. Nelson may engage in various other business activities in addition to managing the Fund, and consequently he may not devote his complete time to Fund business.

*Short Sales.* The Fund will enter into transactions, known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by the Fund that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

*Derivatives.* Derivative instruments, or "derivatives," include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small



adverse market movement can not only result in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with whom the Fund contracts for the purpose of making derivative investments (the “Counterparty”). In the event of the Counterparty’s default, the Fund will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

*Leverage.* Subject to applicable margin and other limitations, the Fund may borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the Fund’s portfolio would be amplified. Interest on borrowings will be a portfolio expense of the Fund and will affect the operating results of the Fund. Also, the Fund could potentially create leverage via the use of instruments such as options and other derivative instruments.

*Options.* Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change 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. In the case of the purchase of an option, the risk of loss of an investor’s entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, 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 market value.

*Investment Authority.* Substantially all decisions with respect to the management of the Fund are made exclusively by the Firm. Investors generally have no right or power to take part in the management of the Fund. In the event of the withdrawal or bankruptcy of the Firm, generally the Fund will be liquidated.

*Performance Fee.* The performance fees paid to the Firm or its affiliates may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of such performance fees.

*Withdrawal Restrictions.* There are severe restrictions on withdrawals from the Fund (which may be settled in securities rather than cash) and on transfers of Interests in the Fund. The prior written consent of the Firm or one of its affiliates is required for a transfer of the interest of any Investor. Because of the restrictions on withdrawals and transfers, an investment in the Fund is a relatively illiquid investment and involves a high degree of risk. A subscription for Interests in the Fund should be considered only by persons financially able to maintain their investment and who can accept a loss of all of their investment.

*Absence of Registration.* While the Fund may be considered similar to an investment company, it is not required and does not intend to register as such under the Investment Company Act of 1940, as amended (the “1940 Act”), or the laws of any country or jurisdiction and, accordingly, the provisions of the 1940 Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody to be individually segregated at all times from the securities of any other person and to be clearly marked to identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) are not applicable. Because assets of the Fund held by custodians or brokers are generally not held in the Fund’s name, a failure of any such custodians or brokers is likely to have a greater adverse impact on the Fund than if such assets were registered in the Fund’s name.

*Illiquidity.* The investments made by the Fund may be illiquid, and consequently the Fund may not be able to sell such investments at prices that reflect the Firm’s assessment of their value or the amount paid for such investments by the Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by the Fund and other factors. Furthermore, the nature of the Fund’s investments may require a long holding period prior to profitability. The Fund Agreement authorizes the Firm or its affiliates to make distributions in kind of securities in lieu of or in addition to cash. In the event the Firm makes distributions of securities in kind, such securities could be illiquid or subject to legal, contractual and other restrictions on transfer.

*In-Kind Distributions.* There can be no assurance that the Fund will have sufficient cash to satisfy withdrawal requests or will be able to liquidate investments at the time of such withdrawal requests at favorable prices. Under the foregoing circumstances, and under other circumstances deemed appropriate by the Firm, an Investor may receive in-kind distributions from the Fund’s portfolio.

*Diversification.* Since the Fund’s portfolio will not necessarily be widely diversified, the investment portfolio of the Fund may be subject to more rapid changes in value than would be the case if the Fund were required to maintain a wide diversification among companies, securities and types of securities.

*Valuations.* From time to time, certain situations affecting the valuation of the Fund’s investments (such as limited liquidity, unavailability or unreliability of third-party pricing information and acts or omissions of service providers to the Fund) could have an impact on the net asset value of the Fund, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value related calculation or transaction is completed. The Fund is not required to make retroactive adjustments to prior subscription or redemption transactions, Management Fees or performance fees based on subsequent valuation data.

*Foreign Securities.* Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Fund are maintained) and the various foreign currencies in which the Fund’s portfolio securities will be denominated and costs associated with conversion of investment principal and

income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

*Market Conditions.* Developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of market turmoil and the overall weakening of the financial services industry, the Fund, its prime broker(s) and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Fund's business and operations. Moreover, market conditions have substantially reduced the availability of credit, which may have a material adverse effect on the Fund's ability to achieve its investment objective with respect to any particular investment and/or the Fund's entire portfolio, which could have a material adverse effect on the Fund's overall return objectives.

For a more complete description of the risks associated with investing in the Fund, investors should refer to the relevant Private Placement Memorandum.

<b>Item 9.      Disciplinary Information</b>
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There are no legal or disciplinary events that are material to ACM or a prospective client's evaluation of our advisory business or the integrity of our management.

<b>Item 10.      Other Financial Industry Activities and Affiliations</b>
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Neither ACM nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of the foregoing entities.

Neither ACM nor any of its management persons has any material relationships with broker-dealers, municipal securities dealers, government securities dealers or brokers, investment companies, other investment advisors, futures or commodity merchants or advisors, banking or thrift institutions, accountants or accounting firms, lawyers or law firms, insurance companies or agencies, pension consultants, real estate brokers, or sponsors or syndicators of limited partnerships.

ACM does not recommend or select other investment advisers for its clients and does not receive compensation directly or indirectly from those advisers, nor does ACM have other business relationships with those advisers that create a material conflict of interest,

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

ACM has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as “employees”) and focuses on three specific areas where employee conduct has the potential to adversely affect the client: (i) misuse of confidential information; (ii) personal securities trading; and (iii) outside business activities. Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm’s Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm’s business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients’ interests come before employees’ personal interests and before the Firm’s interests.
- The Firm must fully disclose all material facts about conflicts of which it is aware between the Firm and its employees’ interests on the one hand and client and the Firm’s interests on the other.
- Employees must operate on the Firm’s behalf and on their own behalf consistently with the Firm’s disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

### **Misuse of Nonpublic Information**

The Code of Ethics contains a policy against the misuse of nonpublic information. Employees may not trade in any client or personal account in the securities of any publicly-traded issuer about which the employee possesses material, non-public information, nor “tip” others about such information.

### **Personal Securities Trading**

ACM or individuals associated with the Firm may in certain circumstances buy, sell or hold in their personal accounts the same securities the Firm recommends to its clients, but may not buy securities from or sell securities to the Fund. The Firm has established a policy that its Employees shall not execute a personal transaction in a security if an order for a Client account for the same

security, same way, at the same price (whether limit or market order) remains unexecuted. Such restriction shall be effective for four trading days before and after any such Client account.

The Code restricts or prohibits certain personal investment transactions by supervised persons (and certain of their immediate family members). Supervised persons may buy or sell certain securities for their own account only with pre-clearance from our Chief Compliance Officer.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm's policies.

### **Outside Business Activities**

Employees are required to report and obtain prior approval from the Chief Compliance Officer for any outside business activities. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed.

<b>Item 12. Brokerage Practices</b>
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Securities transactions are executed by brokers selected by the Firm, in its sole discretion and without the consent of the Fund. In placing portfolio transactions, the Firm will seek to obtain the best execution for the Fund, 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; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria. In addition, subject to the Firm's obligations to seek best execution, the Firm may consider referrals of investors in selecting brokers.

The Firm may have an incentive to select or recommend a broker-dealer based on its interest in receiving client referrals, rather than on its clients' interest in receiving most favorable execution.

The Firm is authorized to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with such investment and research information or to pay higher commissions to such firms if the Firm determines such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. The Firm is not required to weigh any of these factors equally. Information so received is in addition to and not in lieu of services required to be performed by the Firm, and the Management Fee is not reduced as a consequence of the receipt of

such supplemental research information. Research services provided by broker dealers used by the Fund may be utilized by the Firm or its affiliates in connection with its investment services for other accounts and, likewise, research services provided by broker-dealers used for transactions of other accounts may be utilized by the Firm in performing its services for the Fund. Since commission rates in the U.S. are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

### **Soft Dollars**

The Firm has the option to use “soft dollars” generated by the Fund to pay for the research and research-related services described above. The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides a “safe harbor” to investment advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment adviser in the performance of investment decision-making responsibilities. In the event the Firm elects to use its soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Exchange Act or are reasonably related to the investment decision-making process.

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Firm creates a conflict of interest between the Firm and the Fund, because the Fund pays for such products and services that are not exclusively for the benefit of the Fund and that may be primarily or exclusively for the benefit of the Firm. To the extent that the Firm is able to acquire these products and services without expending its own resources (including the Management Fee paid by the Fund), the Firm’s use of “soft-dollars” would tend to increase the Firm’s profitability. In addition, the availability of these nonmonetary benefits may influence the Firm to select one broker rather than another to perform services for the Fund. The Fund’s Limited Partnership Agreement and Investment Management Agreement between the Firm and the Fund specifically authorize these practices to the fullest extent permitted by law.

### **Aggregation of Transactions**

When an opportunity to purchase or sell an investment is appropriate for more than one client, ACM will generally aggregate client orders when doing so is likely to result in a better overall price or reduced cost for the client trade. Consistent with its fiduciary duties, the Company allocates trades to its clients on an equitable basis. Each client who participates in an aggregated order participates at the average price with all transaction costs shared on a pro rata basis.

ACM is not obligated to place all transactions on an aggregated basis, and there may be instances in which order aggregation results in a less favorable transaction outcome than a client would have obtained by trading separately.

#### **Item 13. Review of Accounts**

Client accounts will be reviewed on a regular basis by our Portfolio Manager and Chief Compliance Officer. These reviews are designed to monitor and analyze our adherence to our client's investment objectives, policies and restrictions.

ACM will provide Investors with the following written communication:

- monthly unaudited capital account statements,
- monthly unaudited estimates of the Fund's investment performance,
- quarterly investor letters,
- annual audited financial statements, and
- Schedule K-1s.

Clients may also be provided with additional written or oral communications on an ad-hoc basis.

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

ACM does not pay inside or outside parties for referring clients or investors to the Firm.

#### **Item 15. Custody**

Custody is defined as having access to clients' (or investors') securities or funds. The Firm will be considered to have custody of Fund assets, even though these assets will be held by an outside qualified custodian because the Firm is the general partner of the Fund will be authorized to deduct fees directly from the Investors' capital accounts. This fee deduction is deemed a form of custody by the Securities and Exchange Commission, although all client securities, investments and funds will be held by an outside qualified custodian.

The Firm intends to manage this risk by:

- engaging third party service providers to administer and serve in financial roles on behalf of the Firm and the Fund,
- engaging a PCAOB-registered independent accounting firm to prepare an annual audit the Funds' financial statements prepared in accordance with GAAP, and

- sending each investor a copy of the audited financial statements each year within 120 days of the Funds' fiscal year end.

#### **Item 16. Investment Discretion**

ACM has sole discretion regarding which assets are to be bought or sold for the Fund, the size amount of each asset to be bought or sold and the price of each, as described in the Fund's respective investment advisory agreements. Investment decisions for the Fund are made in accordance with the Fund's investment objectives and guidelines, which are set forth in the Fund's private placement memorandum that is provided to investors prior to accepting their subscription for interest in the Fund.

#### **Item 17. Voting Client Securities**

The Firm will be delegated the authority and right to vote proxies received by the Fund. We have adopted and implemented written policies and procedures for voting proxies in a manner that the Firm reasonably believes are in the best interest of its clients.

The majority of proxy-related issues generally fall within the following five categories: corporate governance, takeover defenses, compensation plans, capital structure and social responsibility. The Firm will generally vote in favor of matters that follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or present compensation plans that are commensurate with enhanced manager performance and market practices.

If there are any potential conflicts of interest in connection with voting a client proxy, we will resolve the conflict before voting the proxy. If a potential conflict of interest exists, we will either disclose the conflict to the client and obtain its consent to vote or take other steps designed to ensure that our decision to vote the proxy was based on our determination of the client's best interest and was not affected by the potential conflict.

Clients generally cannot direct how we vote in a particular solicitation. Clients may obtain a copy of the Firm's written proxy voting policies and procedures as well as of a record of the Firm's past proxy votes by contacting us at the address on the cover of this brochure.

#### **Item 18. Financial Information**

There is no financial condition that is reasonably likely to impair ACM's ability to continue to meet its contractual commitments and provide services to its clients.



We do not require or solicit prepayment of fees six months or more in advance.

We have not been the subject of a bankruptcy petition at any time during the past ten years.

<b>Item 19. Requirements for State-Registered Advisers</b>
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**Management Persons**

Casey H. Nelson, born March 13, 1984, is the founder and managing member of Alistair Capital Management, L.L.C. He was previously an analyst in the Relative Value group at HBK Capital Management from July 2006 until he left to found ACM in March of 2009. Mr. Nelson was awarded a BS in Economics with concentrations in Finance and Real Estate from The Wharton School at the University of Pennsylvania in 2006, where he was a Joseph Wharton Scholar.

Wade Horst is the Controller of Alistair Capital Management, L.L.C. Before joining Alistair, Mr. Horst was a Senior Financial Analyst at ConAgra Foods, Inc. where he worked in Financial Accounting and Corporate Treasury. Mr. Horst holds a B.S. in Business Administration with a major in Finance from the University of Nebraska-Lincoln and has earned the right to use the CFA designation.

**Performance Fee**

The performance fees payable by each Investor in the Fund to the Firm or one of its affiliates could motivate the Firm to make investment decisions that are riskier or more speculative than would be the case if such arrangements were not in effect. Individual employees of the Firm or its affiliates who are compensated to some extent based upon trading profits for which they are responsible face the same potential conflict.

**Management Persons' Additional Disclosure**

Please be advised that Messrs. Nelson and Horst have not been involved in an award or otherwise been found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- a) An investment or an investment-related business or activity;
- b) Fraud, false statement(s), or omissions;
- c) Theft, embezzlement, or other wrongful taking of property;
- d) Bribery, forgery, counterfeiting, or extortion; or
- e) Dishonest, unfair, or unethical practices.

Additionally, Messrs. Nelson and Horst have not been involved in an award or otherwise been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a) An investment or an investment-related business or activity;
- b) Fraud, false statement(s), or omissions;
- c) Theft, embezzlement, or other wrongful taking of property;
- d) Bribery, forgery, counterfeiting, or extortion; or
- e) Dishonest, unfair, or unethical practices.

Messrs. Nelson and Horst have not been the subject of a bankruptcy petition.