

**CAERUS GLOBAL INVESTORS**

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**Part 2A of Form ADV  
(The “Brochure”)**

April 8, 2015

This Brochure provides information about the qualifications and business practices of Caerus Global Investors, LLC (the “Adviser”). Registration with the United States Securities and Exchange Commission (the “SEC”) does not imply a specific level of skill or training. If you have any questions about the contents of this Brochure, please contact Ward Davis at 212-488-5507 or [WDAVIS@CAERUSGLOBAL.COM](mailto:WDAVIS@CAERUSGLOBAL.COM). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about the Adviser is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

The Adviser's most recent update to Part 2 of Form ADV was made on March 26, 2014. Since that time, the Adviser's business activities have not changed materially.

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#### **Item 4 – Advisory Business**

Caerus Global Investors, LLC (the “Adviser”) is a limited liability company formed in the state of Delaware. The company was formed January 16, 2009. Its principal owners are Ward Davis and Brian Agnew.

The Adviser provides investment advisory services to several separately managed accounts (collectively, the “Clients”) in accordance with the specific investment objectives and restrictions and investment guidelines set forth in each Client’s investment advisory or management agreement (“IMA”). The Adviser invests primarily in consumer stocks.

As of April 8, 2015, the Adviser managed a total of \$70,000,000, all on a discretionary basis. Clients are “accredited investors” as defined in the Securities Act of 1933 (the “1933 Act”).

The Adviser does not participate in any wrap fee programs.

#### **Item 5 – Fees and Compensation**

The Adviser charges its Clients a management fee which ranges from 1% to 2% per annum as well as a performance fee based on the capital appreciation of the Clients which ranges from 0% to 20% per annum.

Management fees are generally paid quarterly in advance. Performance fees are generally charged at year end. If a Client redeems mid-quarter, any “pre-paid” management fee is credited to the Client’s capital account on a pro rata basis.

All fees are negotiable. The Adviser typically bills its Clients for fees incurred.

Neither the Adviser nor any of its employees receives (directly or indirectly) compensation for the sale of securities or other investment products.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

In addition to a management fee based on the assets under management, the Adviser may charge a performance fee calculated and charged based on the capital gains or capital appreciation of the assets of the Client. For further information on advisory fee compensation, see Item 5.

Performance-based fees received by the Adviser may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

#### **Item 7 – Types of Clients**

The Adviser provides investment advisory services to high net worth individuals, corporations or other business entities and separately managed accounts.

The minimum investment commitment required is negotiated and disclosed in the respective Client’s IMA.

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

**Methods of Analysis and Investment Strategies:**

The Adviser invests in consumer-focused long/short equities after a rigorous due diligence and selection process based on in-depth fundamental research. Each and every long and short position seeks to generate its own individual alpha. Sector focus includes, among others, retail, gaming & lodging, leisure, consumer technology, staples, building materials, transportation and media.

### **Risk of Loss:**

The Adviser's strategy may be deemed to be highly speculative and is not intended as a complete investment program. It is designed only for sophisticated persons who can bear the risk of the loss of their entire investment and who have a limited need for liquidity. The Adviser can give no assurance that its investment strategy will achieve its investment objective.

The following summary identifies the material risks related to the Adviser's investment strategy and should be carefully evaluated before making an investment with the Adviser. The following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks:

Risks inherent in the Fund's investment strategy. The success of a Client's investments are subject to a variety of risks, including the quality of the Adviser's management and its ability to successfully select investment opportunities.

No Assurance of Profit. The Adviser's task of identifying investment opportunities and realizing a significant return for Clients is difficult. There is no assurance that the Client's investment objectives will be attained or that the investments of the Client will be profitable. Any return on investment to a Client will depend upon successful investments being made by the Adviser.

Loss of Principal. All investments in securities include a risk of loss of principal (invested amount). Stock markets, bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets managed that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your entire investment.

### **Item 9 – Disciplinary Information**

The Adviser has no legal or disciplinary events to disclose.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Neither the Adviser nor any of its employees are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, the Adviser and its employees are not affiliated with any broker dealer.

Neither the Adviser nor any of its employees are registered as a futures commission merchant, commodity pool operator or commodity trading adviser.

The Adviser is solely engaged in providing investment advice to clients and does not sell products or services other than investment advice to clients. The Adviser does not have any arrangements to receive additional compensation from non-clients.

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

As required by regulation, the Adviser has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to clients. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our Client and to drive home a Culture of Compliance within our firm.

An additional benefit of our Code is to detect and prevent violations of securities laws, including our obligations we owe to you.

Our Code is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code with annual training and on-going monitoring of employee activity.

Our Code of Ethics describes our high standards of business conduct, and fiduciary duty to the Fund and our investors. It includes provisions relating to the prohibition on insider trading, personal securities trading procedures, trading restrictions, reporting requirements of holdings and transactions, record keeping, restrictions and reporting on gifts and business entertainment, among other items. The Code emphasizes the Adviser's philosophy of honesty, integrity and professionalism, setting forth standards of conduct expected of the Adviser's personnel, promoting honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, and promoting compliance with applicable government laws, rules and regulations.

Access persons are required to report their trading activities. Under the Code certain securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of the Adviser, the Fund and its investors. Trades in all other securities must be pre-approved by the chief compliance officer. In addition, the Adviser has an Insider Trading Policy applicable to all its employees, which prohibits the use of material inside information in connection with personal transactions. The Code of Ethics and trading policies are overseen by the Chief Compliance Officer, who is responsible for the review of such transactions to reasonably prevent conflicts of interest between the Adviser, the Fund and its investors.

All access persons at the Adviser must comply with and acknowledge compliance with the terms of the Code annually, and as amended. Investors of the Fund may request a free copy of the Adviser's Code by contacting Alan Friedman at 212-488-5525 or [afriedman@caerusglobal.com](mailto:afriedman@caerusglobal.com).

**Principal and Agency Cross Transactions.** Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, buys a security from, or sells a security to, a client. In an agency cross transaction, an adviser or affiliate acts as broker for both sides of the transaction in which a client of the adviser is on one side and another person is on the other side. It is Adviser's policy not to engage in any principal or agency cross securities transactions for client accounts. The Adviser will also not cross trade between client accounts.

## **Item 12 – Brokerage Practices**

The Adviser directs most trades through its primer brokers. However, when we use outside brokers we seek best execution for the Fund's securities transactions. Brokers are selected according to various characteristics that support the Fund's interest in receiving the most favorable execution. Many criteria are considered, including but not limited to, the following: the integrity, ethics and trustworthiness of the broker, the financial stability and reputation of brokerage firm, the speed and quality of trading execution

to minimize market price impact and maximize value for the Fund, the broker's capability to provide services at the lowest possible cost, competent broker personnel and support staff, the efficient clearance and settlement of trades, commitment to technology and a preeminent trading system, the broker's overall ability to provide best execution for the Fund, and timely acknowledgement and correction of trade errors. The applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple brokers or dealers.

#### **Research and Other Soft Dollar Benefits:**

The Adviser uses investors' commission dollars to purchase research and services to assist it in its investment decision-making efforts. All soft dollar arrangements come within the safe harbor rules. The Company only makes use of soft dollar arrangements when to do so would be in the best interest of the Fund. We use soft dollar benefits for all of our accounts as they trade "pari passu". The Adviser evaluates and ranks each broker based on the factors noted above as well as research and access to management and possibly IPO's. We will direct trades to brokers based on all of these factors.

#### **Brokerage for Client Referrals:**

The Adviser's employees and affiliates are prohibited from selecting brokers to execute transactions for the Fund for reasons unrelated to the best interests of the Fund. Accordingly, the Adviser's policy is to not accept client referrals from a broker-dealer or third party upon selecting them as a broker-dealer.

#### **Directed Brokerage:**

Investors do not recommend or request the use of certain brokers. It is the Adviser's policy that the Adviser will make all broker selections.

#### **Item 13 – Review of Accounts**

Periodically (typically weekly) the Adviser's Investment Committee reviews each Clients' activities and plans the portfolio strategy for the next period. The Investment Committee is composed of Ward Davis, Managing Partner; and Brian Agnew, Managing Partner. The Investment Committee reviews each individual portfolio position and develops a macro strategy for the overall consumer market. The Investment Committee will discuss position sizes, exit prices as well as discuss new potential investments. The nature, content and frequency of reporting to Clients is negotiated with each Client.

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

The Adviser has employed the services of a "third party" marketer to help in the process of raising assets. The Adviser pays the marketer a percentage of the management fee and performance fee earned by the introduced capital to the funds for the life the investor is with the Adviser.

The Adviser may receive certain research or other services from broker-dealers through "soft dollar" arrangements. "Soft dollar" arrangements may create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser'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 Adviser on behalf of the Client.

### **Item 15 – Custody**

The Adviser does not currently maintain custody of Client funds or assets.

### **Item 16 – Investment Discretion**

The Adviser generally has unlimited discretionary authority to determine, without obtaining specific consent, the securities to be bought sold, and the amount of securities to be bought or sold. Such investment discretion is provided for in the investment adviser agreement or IMA. In all cases, such discretion is executed in a manner that is in accordance with the investment guidelines set forth in the Client's IMA.

### **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

When exercising its voting authority over Client securities, the Adviser considers the performance, activities and events related to each investment, evaluate other issues that could have an impact on the value of the security and vote with a view toward maximizing overall value. The Adviser shall review each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the Client. In some instances, the Adviser may determine that it is in the Client's best interest to abstain from voting, and will do so accordingly.

The Adviser shall vote all proxies in a prudent manner, considering the prevailing circumstances at the time, and in a manner consistent with this Proxy Voting Policy and the Company's fiduciary duties to the Fund and the Investors.

Each Client, can obtain a copy of the Adviser's Proxy Voting Guidelines/procedures upon request by contacting our CCO, Ward Davis at 212-488-5507 or [wdavis@caerusglobal.com](mailto:wdavis@caerusglobal.com).

### **Item 18 – Financial Information**

The Adviser does not require or solicit the payment of fees six months or more in advance.

The Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients.

The Adviser has never been the subject of a bankruptcy petition.